

By Mr. KING of California:

H.R. 8966. A bill for the relief of Mrs. Antica Dominis; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 8967. A bill for the relief of Lynette Margaret Warrillow; to the Committee on the Judiciary.

H.R. 8968. A bill for the relief of Milka Singh; to the Committee on the Judiciary.

SENATE

TUESDAY, OCTOBER 29, 1963

(Legislative day of Tuesday, October 22, 1963)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, following the example of our fathers, in the midst of a new day with its golden hours we come grateful for a laboring place in Thy vineyard, and that in work that keeps faith sweet and strong, Thou callest us to be fellow laborers with Thee.

Forgive the petulance of our impatience which is revealed in our easy discouragements, in our hasty judgments, in our childish outbursts because the kingdom of love and justice and peace seems too long delayed.

Our spirits are shadowed by the passing of an illustrious son of Texas and of the Nation, who in perilous times served in this body with impressive distinction and dedication, especially in complicated foreign affairs. As this day we lift up in grateful memory the long, faithful, national stewardship of Thy servant, Tom Connally, we humbly pray that we may be strengthened to play our part in the life of our times, to think clearly, to speak kindly, to act bravely, to walk in the light as Thou art in the light, to keep the faith, to finish our course, and then one day, falling on sleep, to gain the crown—the approval of the Master of all good workmen.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. HUMPHREY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, October 28, 1963, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry

nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H.J. Res. 782) making continuing appropriations for the fiscal year 1964, and for other purposes, and it was signed by the Vice President.

TRANSACTION OF ROUTINE BUSINESS

Mr. HUMPHREY. Mr. President, I ask unanimous consent that there be a morning hour for the transaction of routine business, with statements in connection therewith limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Investigating Subcommittee of the Committee on Government Operations be authorized to meet during the session of the Senate today.

The VICE PRESIDENT. Without objection, it is so ordered.

On request of Mr. HUMPHREY, and by unanimous consent, the Subcommittee on Air and Water Pollution of the Public Works Committee was authorized to meet during the session of the Senate today.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Associate Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on title I agreements under the Agricultural Trade Development and Assistance Act of 1954, for the month of September 1963 (with accompanying papers); to the Committee on Agriculture and Forestry.

AMENDMENT OF COMMUNICATIONS ACT OF 1934, TO EXEMPT CERTAIN GOVERNMENT EMPLOYEES

A letter from the Acting Chairman, Federal Communications Commission, Washington, D.C., transmitting a draft of proposed legislation to amend section 4(b) of the Communications Act of 1934, as amended, to exempt therefrom "special Government employees" as defined in section 202(a), title 18, United States Code, 76 Stat. 1121 (with accompanying papers); to the Committee on Commerce.

REPORT ON INADEQUATE STUDIES TO DETERMINE FEASIBILITY OF MAIL-FLO SYSTEMS

A letter from the Comptroller General of the United States, transmitting, pursuant to

law, a report on inadequate studies to determine the feasibility of mail-flo systems and effect of systems upon operating costs at the Philadelphia, Denver, and Los Angeles post offices, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXCESSIVE COSTS INCLUDED IN PRICES FOR FALCON MISSILE COMPONENTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on excessive costs included in prices for Falcon missile components purchased from AVCO Corp., Crosley division, Cincinnati, Ohio, by Hughes Aircraft Co., Culver City, Calif., under a negotiated contract, Department of the Air Force, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON UNNECESSARY COSTS INCURRED BECAUSE OF FAILURE TO STANDARDIZE TROPICAL WOOL TROUSERS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred because of failure to standardize tropical wool trousers, Department of the Army and the Marine Corps, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

ADMINISTRATION OF PRIBILOF ISLANDS, ALASKA

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to aid in the administration of the Pribilof Islands, in Alaska, by the Secretary of the Interior and to provide for the self-sufficiency of the inhabitants thereof, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

TRANSFER OF PIEGAN UNIT OF BLACKFEET INDIAN IRRIGATION PROJECT, MONTANA

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the transfer of the Piegan unit of the Blackfeet Indian irrigation project, Montana, to the landowners within the unit (with an accompanying paper); to the Committee on Interior and Insular Affairs.

CONVEYANCE OF CERTAIN LANDS TO STATE OF HAWAII

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting a draft of proposed legislation to revise the procedures established by the Hawaii Statehood Act, Public Law 86-3, for the conveyance of certain lands to the State of Hawaii, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

SUPREME COURT DECISION IN CASE OF H. J. RYAN V. PRESIDENT OF THE SENATE

A letter from the Assistant Attorney General, Department of Justice, Washington, D.C., informing the Senate that on October 14, 1963, the Supreme Court dismissed the appeal for want of jurisdiction and denied certiorari in *H. J. Ryan v. President of the Senate*; to the Committee on the Judiciary.

REPORTS RELATING TO PETITIONS FOR FIRST PREFERENCE CLASSIFICATION

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning visa petitions according such petitions first preference classification under the act (with accompanying papers); to the Committee on the Judiciary.

EXPRESSION OF GRATITUDE BY GUAM LEGISLATURE

The VICE PRESIDENT laid before the Senate a communication from the Guam

Legislature, signed by M. U. Lujan, vice speaker, expressing the appreciation and gratitude of that legislature for the Senate passage of House bills 6225 and 6481, relating to rehabilitation and urban renewal in Guam, which was ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

S. 741. A bill to amend title 18, United States Code, to prohibit schemes in interstate or foreign commerce to influence by bribery the outcome of sporting contests, and for other purposes (Rept. No. 593).

By Mr. FONG, from the Committee on the Judiciary, without amendment:

S. 1396. A bill to consent to the institution of an original action in the Supreme Court for the adjudication of the claim of the State of Hawaii to certain land and property situated within that State (Rept. No. 594).

By Mr. DIRKSEN, from the Committee on the Judiciary, without amendment:

S. 1451. A bill to amend section 41(a) of the Trading With the Enemy Act (Rept. No. 595).

By Mr. JOHNSTON, from the Committee on the Judiciary, without amendment:

H.R. 2835. An act to clarify the status of circuit and district judges retired from regular active service (Rept. No. 596).

By Mr. SCOTT, from the Committee on the Judiciary, without amendment:

H.R. 4145. An act for the relief of certain individuals (Rept. No. 597).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 716. A bill for the relief of Gaetano Fucello (Rept. No. 599).

S. 1129. A bill for the relief of Thomas B. Bollers and Earlene Bollers (Rept. No. 619).

S. 1385. A bill for the relief of George Alexander Doumani (Rept. No. 600).

S. 1446. A bill for the relief of Andreina Viselli (Rept. No. 601).

S. 1479. A bill for the relief of Dr. Demetrios Flessas and Dr. Eugenia Flessas (Rept. No. 602).

S. 1516. A bill for the relief of Ana Murgel (Rept. No. 603).

S. 1812. A bill for the relief of William John Campbell McCaughey (Rept. No. 604).

H.R. 1049. An act to amend sections 334, 367, and 369 of the Bankruptcy Act (11 U.S.C. 734, 767, 769) and to add a new section 355 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XI (arrangement) proceedings to the time prescribed by section 57n of the Bankruptcy Act (11 U.S.C. 93n) (Rept. No. 605).

H.R. 1311. An act for the relief of Joan Berczeller (Rept. No. 606).

H.R. 1345. An act for the relief of Peter Carson (Rept. No. 607).

H.R. 2260. An act for the relief of Mrs. Rozsi Neuman (Rept. No. 608).

H.R. 2445. An act for the relief of Mrs. Barbara Ray Van Olphen (Rept. No. 609).

H.R. 2754. An act for the relief of Mercedes Robinson Orr (Rept. No. 610).

H.R. 2757. An act for the relief of Woo You Lyn (also known as Hom You Fong and Lyn Fong Y. Hom) (Rept. No. 611).

H.R. 2968. An act for the relief of Kazimierz Kurmas and Zdzislaw Kurmas (Rept. No. 612).

H.R. 2985. An act to amend section 1391 of title 28 of the United States Code, relating to venue generally (Rept. No. 620).

H.R. 3384. An act for the relief of Lee Suey Jom (also known as Tommy Lee and Lee Shue Chung) (Rept. No. 613).

H.R. 6097. An act for the relief of Dr. Pedro B. Montemayor, Jr. (Rept. No. 614).

H.R. 6260. An act for the relief of Wal Chan Cheng Liu (Rept. No. 615); and

H.J. Res. 626. Joint resolution granting the consent of Congress to the establishment of an interstate school district by Hanover, N.H., and Norwich, Vt., and to an agreement between Hanover School District, New Hampshire, and Norwich Town School District, Vermont (Rept. No. 616).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1524. A bill for the relief of Hal Yung Jung and Johnny Jung (Rept. No. 617); and

S. 1737. A bill for the relief of Arthur Wendell Bolta (Rept. No. 618).

By Mr. LONG of Missouri, from the Committee on the Judiciary, with amendments:

S. 1664. A bill to provide for continuous improvement of the administrative procedure of Federal agencies by creating an Administrative Conference of the United States, and for other purposes (Rept. No. 621).

WITHDRAWING SUSPENSION OF A CERTAIN ALIEN—REPORT OF A COMMITTEE (S. REPT NO. 598)

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 66) withdrawing suspension of deportation of Joe Quong, and submitted a report thereon; which report was ordered to be printed, and the concurrent resolution placed on the calendar, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress, in accordance with section 246(a) of the Immigration and Nationality Act (8 U.S.C.A. 1256(a)), withdraws the suspension of deportation in the case of Joe Quong (A-5635350) which was previously granted by the Attorney General and approved by the Congress.

AMENDMENT OF LIBRARY SERVICES ACT—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 592)

Mr. MORSE. Mr. President, from the Committee on Labor and Public Welfare, I report an original bill to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas, and I submit a report thereon. I ask unanimous consent that the report, including a graph and tables, together with the minority views of the Senator from Arizona [Mr. GOLDWATER] and the Senator from Texas [Mr. TOWER] be printed.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from Oregon.

The bill (S. 2265) to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas, reported by Mr. MORSE, from the Committee on Labor and Public Welfare, was read twice by its title and placed on the calendar.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,
The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Frank Kowalski, of Connecticut, to be a member of the Subversive Activities Control Board;

Theodore Jaffe, of Rhode Island, to be a member of the Foreign Claims Settlement Commission; and

LaVern R. Dilweg, of Wisconsin, to be a member of the Foreign Claims Settlement Commission.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. LAUSCHE:

S. 2264. A bill for the relief of Marija Zupancic; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2265. A bill to amend the Library Services Act in order to increase the amount of assistance under such act and to extend such assistance to nonrural areas; placed on the calendar.

(See the remarks of Mr. MORSE when he reported the above bill from the Committee on Labor and Public Welfare, which appears under the heading "Report of a Committee.")

By Mr. FULBRIGHT:

S. 2266. A bill to amend the Foreign Service Buildings Act of 1926; to the Committee on Finance.

By Mr. PASTORE (by request):

S. 2267. A bill to amend Public Law 88-72 to increase the authorization for appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes; to the Joint Committee on Atomic Energy.

CONCURRENT RESOLUTION

WITHDRAWING SUSPENSION OF DEPORTATION OF A CERTAIN ALIEN

Mr. EASTLAND, from the Committee on the Judiciary, reported an original concurrent resolution (S. Con. Res. 66) withdrawing suspension of deportation of Joe Quong, which was placed on the calendar.

(See the above concurrent resolution printed in full when reported by Mr. EASTLAND, which appears under the heading "Reports of Committees.")

RESOLUTION

TO PRINT AS A SENATE DOCUMENT, WITH ILLUSTRATIONS, A DOCUMENT ENTITLED "UNITED STATES ASTRONAUTS," WITH ADDITIONAL COPIES

Mr. SYMINGTON submitted a resolution (S. Res. 219) to print as a Senate document with illustrations, a document entitled "United States Astronauts," and ordering additional copies printed, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. SYMINGTON, which appears under a separate heading.)

TO PRINT AS A SENATE DOCUMENT, WITH ILLUSTRATIONS, A DOCUMENT ENTITLED "UNITED STATES ASTRONAUTS," WITH ADDITIONAL COPIES

Mr. SYMINGTON. Mr. President, on October 18 the National Aeronautics and Space Administration selected a new group of trainees for the astronaut program. That brings to 30 the number that are now in training in the astronaut program, including the original seven Mercury astronauts. The exploits of those seven are well known to all of us, to all Americans, and, in fact, to the whole world. Their 100 percent successful completion of these dangerous missions is truly an accomplishment of which all of us may be justly proud. For one thing, it proves that we still possess in this country that spirit for bold adventure and willingness to explore the unknown that made this country great. God grant that we never lose that spirit.

The original 7 were chosen on April 9, 1959, 9 more were selected on September 17, 1962, and 14 were added on October 18, 1963. America's manned exploits in space will be in the hands of those men, at least for the next several years. They will be the first Americans to orbit the earth in pairs, rendezvous in space, and live in the hostile environment for prolonged periods of time. And one of them, in all probability, will be the first American to put a foot on the surface of the moon. Since Mr. Khrushchev now says that the Russians have no manned lunar program, perhaps one of these fine American boys will be the first human being on the moon. That will be a historic day for all mankind.

Of these 30 men, 14 are from the Air Force, 10 from the Navy, 2 from the Marines, and 4 are civilians. In addition, the Air Force has selected six men—five Air Force and one NASA civilian—to be pilots in the research effort that may lead to orbital flight in the X-20 or other follow-on military programs.

In view of the great interest in these men, both by Members of the Senate, as well as Americans in general, Mr. Frank C. Di Luzio, staff director of the Space Committee, at the request of the chairman, has assembled their biographies and photographs into a single document so that we might have it as a ready reference.

I therefore submit, for appropriate reference, a resolution which authorizes the printing of this volume as a Senate document.

The VICE PRESIDENT. The resolution will be received and appropriately referred.

The resolution (S. Res. 219) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the document entitled "United States Astronauts" prepared for the use of the Senate Committee on Aeronautical and Space Sciences by the staff of the committee, shall be printed with illustrations as a Senate document; and that there be printed three thousand additional copies of such document for the use of that committee.

FOREIGN ASSISTANCE ACT OF 1963—AMENDMENTS

Mr. KEATING submitted an amendment (No. 247) intended to be proposed by him, to the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. KUCHEL (for himself and Mr. ENGLE) submitted an amendment (No. 248), intended to be proposed by them, jointly, to House bill 7885, supra, which was ordered to lie on the table and to be printed.

Mr. MILLER submitted an amendment (No. 249), intended to be proposed by him, to House bill 7885, supra, which was ordered to lie on the table and to be printed.

Mr. ELLENDER submitted an amendment (No. 250), intended to be proposed by him to House bill 7885, supra, which was ordered to lie on the table and to be printed.

Mr. MORSE submitted an amendment (No. 251), in the nature of a substitute for the committee amendment, intended to be proposed by him to House bill 7885, supra, which was ordered to lie on the table and to be printed.

Mr. MORSE also submitted 14 amendments (Nos. 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, and 265), intended to be proposed by him, to House bill 7885, supra, which were ordered to lie on the table and to be printed.

Mr. PROXMIRE submitted two amendments (Nos. 266 and 267), intended to be proposed by him to House bill 7885, supra, which were ordered to lie on the table and to be printed.

Mr. COOPER submitted an amendment (No. 268), intended to be proposed by him, to House bill 7885, supra, which was ordered to lie on the table and to be printed.

FOREIGN ASSISTANCE ACT OF 1963—AMENDMENT (AMENDMENT NO. 265)

Mr. MORSE. Mr. President, I wish to comment briefly on another amendment that I am sending to the desk, because of the discussion that was had by the Senator from Minnesota, the Senator from Illinois, and the Senator from Alaska.

The amendment differs from the proposal that was being discussed, which is the proposal in the bill, and which, so far as I am concerned, I shall not vote for. I shall offer the amendment as a substitute for the section of the bill that deals with this subject. The following is the amendment:

On page 39 strike out lines 10 to 17 inclusive, and insert in lieu thereof the following:

"SEC. 254. RESTRICTIONS ON ASSISTANCE.—(a) None of the funds made available under authority of this act may be used to furnish assistance to any country covered by this title in which the government has come to power through the forcible overthrow of a prior government which has been chosen in free and democratic elections.

"(b) The provisions of this section shall not require the withholding of assistance to any country if, following a determination by the President that the withholding of such assistance would be contrary to the national interest, the two Houses of Congress adopt a concurrent resolution approving the continuance of such assistance."

I submit the amendment and ask that it be printed.

The VICE PRESIDENT. The amendment will be received and printed and will lie on the table.

CLEAN AIR ACT OF 1963—ADDITIONAL COSPONSOR OF BILL

Mr. DIRKSEN. Mr. President, I ask unanimous consent that at the next printing of the bill (S. 432) to accelerate, extend, and strengthen the Federal air pollution control program, the name of the distinguished senior Senator from Hawaii [Mr. Fong] be added as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

ESTABLISHMENT OF INDIANA DUNES NATIONAL LAKESHORE—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of October 21, 1963, the names of Mr. BARTLETT, Mr. BURDICK, Mr. CHURCH, Mr. CLARK, Mr. DODD, Mr. GRUENING, Mr. HUMPHREY, Mr. INOUE, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. MCGOVERN, Mr. MOSS, Mr. NELSON, Mrs. NEUBERGER, Mr. PROXMIRE, Mr. RIBICOFF, Mr. WILLIAMS of New Jersey, Mr. YARBOROUGH, and Mr. YOUNG of Ohio were added as additional cosponsors of the bill (S. 2249) to provide for the establishment of the Indiana Dunes National Lakeshore, and for other purposes, introduced by Mr. JACKSON (for himself and other Senators) on October 21, 1963.

FOREIGN ASSISTANCE ACT OF 1963—ADDITIONAL COSPONSOR OF AMENDMENT

Mr. GRUENING. Mr. President, I ask unanimous consent that the name of the able and distinguished senior Senator from New Jersey [Mr. CASE] be added as a cosponsor of my amendment No. 231 to the foreign aid bill, H.R. 7885, and that on the next printing of the amendment his name appear as a cosponsor.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4955) to strengthen and improve the quality of vocational education and to expand the vocational education opportunities in the Nation; agreed to the conference asked

by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POWELL, Mr. PERKINS, Mr. LANDRUM, Mrs. GREEN of Oregon, Mr. DENT, Mr. BRADEN, Mr. FRELINGHUYSEN, Mr. GOODELL, Mr. MARTIN of Nebraska, Mr. QUIE, and Mr. BELL were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 6143) to authorize assistance to public and other nonprofit institutions of higher education in financing the construction, rehabilitation, or improvement of needed academic and related facilities in undergraduate and graduate institutions; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. POWELL, Mrs. GREEN of Oregon, Mr. BRADEN, Mr. SICKLES, Mr. GIBBONS, Mr. FRELINGHUYSEN, Mr. GOODELL, Mr. GRIFIN, and Mr. QUIE were appointed managers on the part of the House at the conference.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

FOUND: A SECRETARY OF STATE

Mr. PROXMIER. Mr. President, it always seems to be open season on Secretaries of State, whether in a Republican or a Democratic administration. The Secretary of State is always the target of attack in the Congress, throughout the country, in newspaper editorials, and so forth. Rarely are Secretaries of State praised for their policies.

The present Secretary of State is a remarkably patient, skillful, and intelligent man, who has served our country extremely well in the top position in our foreign policy. That is why I was delighted to see the lead editorial in this morning's issue of the New York Times entitled "Found: A Secretary of State."

It is pointed out in the editorial that the Secretary of State has done a remarkable job of bringing a unified policy from the diverse attitudes of the Defense Department, the Agriculture Department, the Treasury Department, the CIA, the Federal Reserve, and so forth, with reference to our troop commitments abroad. The article points out that the Secretary of State must "ride herd" in relation to foreign policy on diverse elements that have different ideas and different and conflicting viewpoints. Secretary of State Rusk has performed that task brilliantly. I may not agree thoroughly with this policy of Secretary Rusk, but I have great admiration for his skill and ability. Under present circumstances, it was very difficult for him,

I am sure, to reach the agreement referred to. For that reason I rise to praise Secretary Rusk.

I ask unanimous consent to have printed at this point in the RECORD the editorial in the New York Times entitled "Found: A Secretary of State," and also the speech delivered recently by Secretary of State Rusk in Frankfurt, Germany.

The PRESIDING OFFICER (Mr. McGOVERN in the chair). Is there objection?

There being no objection, the editorial and speech were ordered to be printed in the RECORD, as follows:

[From the New York Times] FOUND: A SECRETARY OF STATE

In Frankfurt Dean Rusk demonstrated that this country now has a Secretary of State. He spoke with clarity and force about American policy and what we expect from our allies. He had spoken with equal force and clarity to the Pentagon and the White House before he left Washington.

The immediate issue is pressure for unilateral American troop cuts in Germany. It arises at a time when a new strategic reassessment in NATO, just getting underway, demands not only consultation but joint decisions on such matters.

Pressure for troop reductions has come from budget-planners in the Pentagon, from Treasury officials concerned about the dollar outflow, from Congressmen of both parties disturbed about Europe's laxness in its own defense and, most recently, from former President Eisenhower. This is a formidable array and, backed by it, Deputy Defense Secretary Gilpatric evidently obtained White House support for publicly airing thoughts about troop cuts, despite the State Department's objections.

The Gilpatric speech, combined with exercise Big Lift, aroused alarm in West Germany, as predicted. It shook the foundations of the policy President Kennedy himself had elaborated in Frankfurt last June, a policy designed to further Atlantic partnership despite the continued resistance of General de Gaulle.

That policy demands a relationship of mutual confidence with West Germany, something that has been achieved only recently after 2 years of conflict. It demands an active search for common programs—economic, political and military—which help unite the countries of free Europe and also the two continents of the North Atlantic world. It demands, above all, a continuous effort to make major decisions jointly with Europe, rather than alone.

No such policy can succeed when the Defense, Agriculture and Treasury Departments, the Federal Reserve and the Central Intelligence Agency are pursuing policies of their own, as they all have done in recent years. The President can formulate a foreign policy, but he cannot impose it unless a string Secretary of State, with his backing, rides herd on the mob.

Secretary Rusk forcefully sought and obtained that backing before he went to Frankfurt. That was why he was able to reassure the Germans about American defense commitments in Europe. And that was why he was able to reassert with conviction the American desire for a Europe that is united, that speaks with a single voice and that does its share.

If the Secretary of State perseveres in this course, we can expect better news from Washington and abroad than the country has had for quite some time.

ADDRESS BY THE HONORABLE DEAN RUSK, SECRETARY OF STATE, AS PREPARED FOR DELIVERY AT PAUL'S CHURCH, FRANKFURT, FEDERAL REPUBLIC OF GERMANY, ON THE OCCASION OF THE DEDICATION OF A MEMORIAL TO GEN. GEORGE C. MARSHALL, SUNDAY, OCTOBER 27, 1963

I. GENERAL MARSHALL

It is a great privilege for me to be here, Mr. Chancellor, to express to you and to the German people the gratitude of every American for the honor which you are paying today to George Catlett Marshall. I am especially happy that Mrs. Marshall is with us. It is of special significance that some of our most distinguished Senators and Representatives are with us—men who themselves were General Marshall's strong collaborators and who represent here the fact that the great partnership between you and us known as the Marshall plan engaged the commitment and dedication of every American citizen who took part in it. This great undertaking could not have been possible without the understanding and practical support of our citizens who are with us in spirit today.

To those of us who served with him, General Marshall was an Olympian figure. He led us through our greatest war but won the Nobel Prize for peace. He was a warm human being but a man of stern discipline with regard to the duties of public service. He had the profoundest respect for the constitutional processes of a Democratic people. Simple and uncomplicated in mind and spirit, he gave lessons to more sophisticated colleagues in clarity and perception of fundamentals. I can hear him now saying to his colleagues: "Gentlemen, don't discuss our problems so much as though they were military problems—to do so makes military problems out of them."

General Marshall had two essential attributes of greatness in a statesman. He had the ability to form large concepts—those goals, which as Lord Acton said, captivate the imagination by their splendor and the reason by their simplicity. And he had the will to persevere in these concepts, until they became reality.

When General Marshall came back from the failure of the Moscow Conference in 1947, the concept of a large plan to unite and restore Europe was forming in his mind. By early summer he had made his decision. On June 5, 1947, he spoke at Harvard, indicating that if the European countries would come together to form a joint plan for economic recovery, the United States would be prepared to join them in carrying that plan forward.

Of course, many men and many minds had offered him advice and help. But the responsibility was one that he could not share. Only he, carrying the responsibilities that he did, could advise the President—at a time of domestic economic difficulty and in the face of an approaching election—to go to the people and ask for \$16 billion on what could, at best, be called a reasoned and necessary gamble.

But he had the concept clearly in mind. He was convinced that it was right, and he did not hesitate.

And so here we come to the second element of his greatness: His ability, having developed a concept to press ahead in its execution with steadiness and courage.

And it is due to that courage—his refusal to be intimidated by the uncertainties and difficulties he faced as he moved ahead in the summer of 1947—that we owe the fruitful economic partnership between Europe and the United States whose effects are increasingly evident today.

II. ECONOMIC PARTNERSHIP

That partnership has prospered far beyond the dreams of 1947, but it has not departed

from the two basic concepts which General Marshall set forth.

First. That Europe should play its part in the partnership as a collective entity.

Second. That the United States should rise to the opportunities for cooperation which Europe's unity created.

The first of these concepts has been reflected in the creation of three great institutions—the Coal and Steel Community, Euratom, and the Common Market.

In these institutions the vision of a truly united Europe was first given effect: a Europe which could act as an entity, not by reason of the hegemony of one state or the endless negotiations of many, but because the European states had agreed to treat certain issues as matters of common concern, to be addressed by common agencies, on behalf of a single community.

And each time that Europe took an effective step toward greater economic unity, the United States responded to the need and the opportunity for closer partnership which that step created.

Our original loan to the Coal and Steel Community, our atomic cooperation with Euratom, and the passage of our Trade Expansion Act—all have given tangible evidence that the American goal was a united Europe able to stand on its own feet, and able to deal with the United States as an equal and self-respecting partner, and able to resume its historic role in world affairs.

There is much unfinished business for both Europe and the United States in the economic field. It is a full agenda: trade, development, and the balance-of-payments problem—a problem which arises from the economic and security functions the United States performs within the free world, and a problem which we believe can be met effectively by common measures in the OECD and elsewhere. As I reflect upon my own public service I find that I have spent half of it worrying about having too much gold and the other half about having too little; I wish we could discover what amount is just right.

The progress of the last 15 years gives us good grounds for believing that this economic agenda of partnership can be successfully dealt with, if we hold to basic concepts of which General Marshall spoke at Harvard.

Our economic partnership carries with it a deep commitment to reducing the barriers of trade among us—a course well understood and ably advocated by Chancellor Erhard. Liberal trade practices are essential to the economic well-being of our peoples and of the free world as a whole. They are no less vital to the achievements of our common political and security purposes, which require economic strength for their fulfillment. Yet in all our countries there are voices, often politically persuasive and sometimes strident, urging us to take measures which look in the other direction—back toward higher tariffs, narrow markets, and economic isolation. It would be dangerous to heed these counsels of yesterday. For the economic fragmentation of the free world could result in tearing down all that we have successfully built together in the last 15 years.

III. POLITICAL PARTNERSHIP

President Kennedy spoke in this great city in June of the need for closer partnership between the United States and a uniting Europe, not only in economic matters but in political action and defense. I turn first to political cooperation. This question takes on special importance in the current phase of East-West relations.

Here I would register two warnings. First, the Soviet leaders have not abandoned their goal of world domination or their determination to push toward that goal by every means safe for them. Second, the limited agreements we recently have reached with the Soviet Union do not constitute a detente. The "hot wire" for emergency use between

Moscow and Washington, the ban on atomic tests in the atmosphere and in outer space and under water, the declaration against placing in orbit weapons of mass destruction—these are useful but small steps toward peace. There can be no genuine detente without progress toward settling such critical political issues as Berlin and the division of Germany, Vietnam, Laos, and Cuba, and there can be little progress toward disarmament until inspection and verification are accepted. So, we of the free world are not justified in relaxing our guard.

However, there are interesting developments within the Communist world. There are the Sino-Soviet dialog and tensions in their state relations. There are growing signs of national awareness among the Communist states of Eastern Europe. There is an evident sobriety about the perils of a nuclear exchange. There are problems in the allocation of their economic resources among the competing demands of armaments, industrialization, consumer satisfaction, and the promotion of world revolution. And there are signs of growing interest in more personal freedom.

Processes of change are clearly evident behind the Iron Curtain. It would be a mistake to expect these changes to come rapidly. But it would be a mistake to underestimate the power of the ideas of freedom—ideas which historically have demonstrated their vitality and their roots in the very nature of man.

Our basic goal, as President Kennedy said at the Free University of Berlin, is to reconstitute Europe—not the artificially divided Europe which has existed since 1945 but a Europe in which every people will enjoy self-determination and freedom.

Such a Europe is now blocked by the policy of the Soviet Union, and events since 1945 suggest that this obstacle will not readily yield to oratory or persuasion. It can only be removed by force or by peaceful change. These are not matters to be decided by force which would itself destroy the goals we have before us. Increased trade and contacts with Communist nations may help. We should seek, as part of this effort to hasten constructive change, agreement on steps which point toward the removal of the present division of Germany. We must keep steadfastly before us our objective of the reunification of the German people in freedom. That goal is important, not only for reasons of justice and humanity, but because there can be no secure and lasting peace until the tensions inherent in the involuntary separation of the German people have been removed. No satisfactory political settlement is possible which ignores that goal. It follows from this that we must do nothing, in negotiations with the Communist nations, which would appear to put the stamp of approval on the status quo of the German people. It also follows that we must not allow such negotiations to place in jeopardy the growing strength and unity of the West.

These are not matters which can or will be decided unilaterally by the United States or any other country. That is why the question of political consultation takes on special importance. No agreement affecting our allies will be concluded by my country without such consultation.

Effective procedures for consultation exist, in the North Atlantic Council and through normal diplomacy. We have made good use of these procedures in the last 2 years. But we must move now toward an even more intimate partnership on these vital matters.

All our countries should take greater advantage of the opportunities which discussions in the North Atlantic Council offer to this end. The United States has greatly intensified its own initiatives to consult in the Council and hopes that other members will do the same.

I also hope that key policymaking officials from interested countries can come together more often, under the aegis of the Council, in ad hoc NATO groups. In this way, the men who are making decisions on these issues in the home capitals will come to have a better understanding for each others' views. There is a useful precedent for this in the Atlantic Planning Advisory Group, which brings together NATO policy planners from the several capitals at periodic intervals.

We are all aware of certain problems in the transatlantic relationship. My own impression is that these are not truly transatlantic in character but stem from the lack of an answer to the question: What is Europe and who speaks for it? Since the basic commitments of the members of great Atlantic Community are identical, I have no reservation about the vitality of transatlantic partnership between the United States and a strong, vigorous and united Europe.

But the answers here must come—as they had to come in 1947—from the European nations themselves.

IV. DEFENSE PARTNERSHIP

I now turn to the second field in which President Kennedy indicated that the principle of European unity and Atlantic partnership can be given new meaning—that of defense.

We need substantial and diversified Western power to protect the Atlantic area.

This power must include both nuclear and nonnuclear components.

The NATO military authorities have approved force goals whose attainment would help to give us a balanced force structure. It is important that these goals be attained. Then no one anywhere could conclude that the West is lax or indifferent to the defense of its vital interests.

I hope that the alliance as a whole can meet its goals. In a genuine partnership, burdens must be equitably borne; all countries must contribute their fair share to the total strength of the alliance.

The United States is making, and will continue to make, its full contribution to this partnership. It is a source of pride that the United States has generally met or exceeded its goals, and a source of regret that certain others in the alliance have not. It is our strong conviction that the alliance as a whole should meet its commitments and we earnestly hope it will do so.

Since you of the Federal Republic and we of the United States are carrying the heaviest burden of NATO, let me speak to you very frankly. You and we are working in the closest partnership in NATO. We consult each other intimately. When we say that your defense is our defense, we mean it. We have proved it in the past. We will continue to demonstrate it in the future.

We have six divisions in Germany. We intend to maintain these divisions here as long as there is need for them—and under present circumstances there is no doubt that they will continue to be needed. Our forces in Germany are supported by the world's largest logistical system, which maintains these forces in the highest state of readiness with the most modern and powerful equipment. And they are backed by nuclear forces of almost unimaginable power.

And let me remind you that the central NATO front is not the only frontier of freedom on which the forces of the United States stand guard. We have more than 2,700,000 men under arms. Of these, we maintain nearly 1 million outside the continental United States, ashore or afloat.

As a nation with more than 40 allies and with worldwide defensive commitments, we are naturally very much interested in the mobility of our forces.

In this connection, let me say a word about the airlift of a U.S. armored division to Germany for maneuvers. This exercise

was an experiment and demonstration arising directly from the airlift capability we committed ourselves to create in 1961, in the context of the Berlin crisis. Its fundamental objective was to permit the swift deployment of reinforcements in the face of a major crisis. It was thus the testing of a new and important additional capability which strengthens the military partnership between the United States and Europe.

Does the airlift of an armored division mean the withdrawal of American troops from Germany? The answer is "No"—the opposite is the case. Because of this airlift we have at the moment a seventh division temporarily in Europe. Moreover, equipment is in position for still another division. Thus, the airlift capability developed by the United States at such great expense provides a major source of added strength to the alliance.

The partnership among the North Atlantic allies must extend to nuclear defense.

The occasion to do so arises, as in the case of political consultation, from the need to meet a specific problem. That problem is posed by a growing Soviet nuclear power, reflected in hundreds of Soviet missiles aimed both at Western Europe and at the United States.

It has seemed to two successive U.S. administrations that the most effective way to meet this threat was by a combination of U.S. missiles and of MRBM's deployed to Allied forces under multilateral manning, control, and ownership.

Such a multilateral missile fleet would be militarily effective. Its accurate and well-protected missiles would be counted toward the total needs of Western deterrence.

It would strengthen Atlantic partnership by binding the United States and Europe in an inextricable nuclear tie. The missiles and warheads would be jointly owned and controlled; they could not be unilaterally withdrawn.

And it would strengthen European cohesion by providing the presently nonnuclear powers an opportunity to share in ownership, manning, and control of a powerful nuclear force on the same basis as other members of that force.

It would thus be an effective means of giving effect to the principles of which General Marshall spoke within the present political framework of Europe.

As that framework progresses, there must, of course, be room for evolution in this field, as in the field of political consultation. The President spoke clearly of this possibility in relation to the missile fleet when he said here last June that as Europe moves toward unity it can and should assume greater responsibility in this field.

V. THE EUROPEAN RESPONSE AND GERMANY'S ROLE

The Atlantic partnership owed its beginnings, in the economic field, both to the indication of U.S. willingness to proceed and to the European response. As General Marshall said in his speech: "The initiative must come from Europe."

Sixteen years ago, Germany could play only a limited role in framing the European answer. But the ensuing years have seen the Federal Republic achieve a sound political system, a remarkable economic advance, and an eminent place in European, Atlantic, and world affairs. You have achieved a historic reconciliation with France. In these efforts, it was Chancellor Konrad Adenauer who provided the leadership and played an imperishable part in German and European history. His achievement was powerfully supported by Dr. Ludwig Erhard's economic miracle.

As a result of these great labors, Germany is able to play its vital role in developing European unity and partnership between Europe and North America. The opportuni-

ties which are now before you are at least as exciting as those which European countries faced 16 years ago.

A little more than a week ago, Chancellor Erhard stressed the need for such an effort, when he outlined the program of his government. It is a German program, based on what the Chancellor believes to be the best interests of Germany. But it is also a European program, an Atlantic program, and a free world program.

Let me say parenthetically, in the light of Mayor Brandt's constructive speech last Tuesday, that we Americans who strive for bipartisanship on our principal foreign policies are heartened to find the leaders of all of your principal parties in general agreement on the basic arrangement of your foreign policy.

We expect to move forward with Chancellor Erhard and his able colleagues toward European unity and Atlantic partnership.

In this effort the steadfastness of both our countries, and of other countries which share our goals will be tested to the full. For we will have to face obstacles as we move ahead.

There will be difficulties in further progress toward European integration and Atlantic partnership; these are to be expected in a movement of such historic dimensions. We must be prepared for temporary delays and disappointments. But we are moving with the flood of history, and there can be no other outcome.

If freedom is to prevail, we must move with deepest conviction and resolution.

I have come here today to make clear once again my country's readiness to give new dimension to our partnership.

It is for you and others who share the goals of European unity and Atlantic partnership to determine whether that effort shall go forward.

By going forward we will be honoring in the way which he would most appreciate, the statesman who first gave voice and meaning to these concepts, Gen. George C. Marshall.

HAWAII CHURCH LEADERS SUPPORT CIVIL RIGHTS LEGISLATION

Mr. HUMPHREY. Mr. President, last week our colleague, Senator DANIEL INOUYE, sent each of us a letter calling our attention to a recent statement issued by a number of prominent church leaders in Hawaii. I was deeply impressed by this statement, particularly because of the experience it was based upon in our 50th State. I ask unanimous consent that it be printed in the RECORD following my remarks so that others may read it as well. It is another in the series of statements by church leaders supporting civil rights legislation that I am calling to the attention of the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AN OPEN LETTER TO ALL CONGRESSMEN FROM CHURCH LEADERS OF HAWAII

HONOLULU, HAWAII,
October 17, 1963.

HONORABLE SIRS: Several years ago you passed legislation which made Hawaii the 50th State of the Union. Prior to this event there had been expressed reservations about our capacity to handle our local affairs and to assume our rights and responsibilities as a State. Some of the reservations had to do with the large numbers of our people who were of oriental extraction whose parents or grandparents were immigrants from the Far East.

The granting of statehood to Hawaii has resulted in a reaffirmation of the American heritage of equal opportunity for all peoples. Whatever expressed or unexpressed reservations there may have been, the fact is that Hawaii has gained increased political stature, expanded economically, and matured socially since, and because of, statehood. Hawaii's significance within the life of our United States and before the world, and its contribution to the social-economic-political well-being of the Nation, has been measurably accentuated by its new status.

We in Hawaii cannot help but feel that we have been richly blessed—by nature, by historical circumstances, by geographical location, by our ties with the mainland United States. We feel that of all people we are most fortunate. We cherish for all people the kind of opportunity and equality which we have come increasingly to enjoy.

We observe, with a heavy heart and unhappy conscience, that there are others in this land of ours who have not been so privileged. We feel the injustice of the deprivations, discriminations, and inequalities under which our Negro brethren have suffered so long. We feel that there is no basic justification for not doing everything possible, as soon as possible, to accord full rights and opportunities to all citizens, including the Negro population. We believe that in the furtherance of this imperative the establishment of legislation which enunciates clearly the basic tenets of our American heritage is all important.

To this end we join, in earnestness of spirit, to urge you to pass a strong civil rights bill which will be the standard by which we strive to insure to all people the basic freedoms which we deeply desire for ourselves and which we believe to be the birthright of all men.

Mitsuo Aoki, Chairman, Department of Religion, University of Hawaii; Philip Yung Lee, President, Honolulu Ministerial Union; Seido Ogawa, Executive Director, Honolulu Council of Churches; Harry S. Kennedy, Episcopal Bishop of Honolulu; Makiko Ichiyasu, Executive Director, YWCA of Oahu; W. E. Phifer, Jr., Pastor, First Presbyterian Church; George A. Jacobs, Pastor, First Christian Church; Frank E. Butterworth, Superintendent, Hawaii Mission of the Methodist Church; Robert R. Dye, General Secretary, YMCA of Honolulu; Robert C. Loveless, President, Honolulu Christian College; John J. Morrett, Dean, St. Andrews' Cathedral, Thomas L. Crosby, Pastor, Central Union Church; James T. Ledbetter, Pastor, First Baptist Church of Honolulu; Joseph J. Bevilacqua, General Secretary, Hawaii Conference, United Church of Christ; Lawrence S. Jones, President, Honolulu Council of Churches.

BRIBERY IN CONNECTION WITH SPORTING CONTESTS

Mr. KEATING. Mr. President, I am pleased to inform the Senate that the Senate Committee on the Judiciary has this morning unanimously reported favorably a bill that would make a Federal offense the use of interstate facilities to influence by bribery sporting contests.

Enactment of this bill, which was drafted in consultation with leading officials of organized sports including the NCAA and the Eastern College Athletic Conference, would strike a major blow at repeated scandals involving college and professional sports.

The Department of Justice, in endorsing the bill, described it as a step toward

"strengthening the supporting role of the Federal Government in the assault on organized crime."

I am delighted by the bipartisan approval the bill received in the committee. A companion bill is pending in the House of Representatives, and there is every reason for confidence that the measure will soon be enacted.

The overwhelming number of men and women engaged in sports are a credit to the Nation. They will welcome this effort to drive the gamblers and hoodlums off the campuses and out of the sports arenas of America. The committee's action today is a hopeful sign of Congress' determination to help rid sports of any criminal contamination.

CZECHOSLOVAKIAN CLAIMS SETTLEMENT—AMENDMENT TO FOREIGN ASSISTANCE ACT OF 1963 (AMENDMENT NO. 247)

Mr. KEATING. Mr. President, there is danger that the next step in "thawing" relations with the Communist bloc is going to cost American citizens over \$100 million. This is the difference between the value of American-owned property confiscated by the Communists in Czechoslovakia and the amount the United States has agreed to accept as compensation.

Specifically, the Foreign Claims Settlement Commission has made awards of \$113,645,205.21 in 2,630 cases growing out of the Czech nationalization program. These awards are now scheduled to be settled for \$10.5 million, less than 10 cents on the dollar. To make matters worse, \$8.5 of the \$10.5 million already has been paid out of Czech funds seized in the United States, leaving a balance of approximately \$2 million. It is my understanding that this balance will be obtained from an additional \$9 million in Czech gold which we hold under an agreement with France and the United Kingdom, and the balance of the gold is then to be returned to the Communist Czech Government.

What all this high finance means is that American citizens are going to be left holding the bag for an amount in excess of \$100 million. On its face, this is completely unjust.

It is also completely unprecedented. The United States since World War II has negotiated claims settlement agreements with Italy, Yugoslavia, Rumania, Poland, and Bulgaria. The Italian settlement paid 100 cents on the dollar, the others varied from 24 percent to 91 percent. Ironically, those with our present allies tend to be much more favorable to us than those with Communist bloc countries, but no agreement approaches the 10-percent settlement being considered in this case.

In my judgment, no such agreement should be made without giving the Senate an opportunity to pass on the matter. There is no reason whatever for treating this as anything less than a treaty abrogating the rights of over 2,600 American citizens. Before any such drastic action is taken, the Senate

should be asked for its consent as in the case of other treaties.

Although recent claims have been settled by executive agreements, there is a precedent for Senate ratification in the Panama Claims Convention, approved by the Senate in August 1950. Since that settlement was for 90 percent, it strikes me as a good precedent to follow.

I am submitting an amendment to the foreign aid bill to express the sense of Congress that Senate confirmation of any agreement with the Czechs in this matter should be required.

This is a matter which deserves to be fully aired, and I hope that no commitment will be made by our State Department before the Senate has an opportunity to give this subject the closest scrutiny.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

THE 40TH ANNIVERSARY OF AMERICAN ASSOCIATION FOR THE UNITED NATIONS

Mr. KEATING. Mr. President, very shortly the American Association for the United Nations will be marking its 40th anniversary. This association has played a unique role through the years in supporting first the League of Nations and now the United Nations in the efforts of these world organizations to maintain peace in a troubled world. The association has throughout the country 350 chapters and a total membership of about 60,000. In 1962 the AAUN had 2,400 speakers on the road addressing gatherings on the hopes and achievements of the United Nations.

Mr. President, the educational program of the AAUN has made a genuine contribution in making American citizens more aware of the possibilities of U.N. action and better informed upon all phases of United Nations work. The AAUN has distributed throughout the country pamphlets and information on the U.N. It has studied United Nations problems, such as the urgent question of financing, and it has offered a number of very constructive recommendations. The AAUN has cooperated with similar organizations throughout the world to create and sustain a grassroots support for the world organization.

Mr. President, although the AAUN seeks to back up our Government in its support of the U.N., the association is financed entirely by membership dues and contributions. Although contributions are deductible for income tax purposes, the AAUN receives no Government aid.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks, a 40th anniversary history and summary prepared by Mr. Clark M. Eichelberger which appeared in the AAUN News.

My congratulations to the American Association for the United Nations on its first 40 years of achievement, and my best wishes for continued success in its programs for the future.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

OUR 40TH ANNIVERSARY, 1923-63

Clark M. Eichelberger, executive director of the American Association for the United Nations, introduces our brief history of our beginnings as an organization.

"This is the 40th anniversary of our association. On this page is a description of the organization of the League of Nations Association with a 'who's who' of its original leadership. The association today, with its name changed, has the same character and corporate structure that was created in 1923. Shortly we shall announce our plans for special commemorative observances this year.

"I want to say here that any member of the AAUN, any chapter officer, any committee member, should be able to walk with his head a bit higher, with a feeling of pride that he is working for the cause of the United Nations. The triumph of this cause will be the triumph of the legal and spiritual organization of the society of nations. Failure will mean the destruction of all of us. The association has had a particular role to play from the time of its organization in 1923. The association has been and is a pioneer organization, preparing public opinion so that government can take additional steps toward leadership in the organized society of nations.

"We are convinced that the freedom to make aggressive war is one that the people of the United States both wish to abolish and are willing themselves to surrender, and that instead of seeing 'no reason' for doing it they plead as a reason the millions of young lives and the billions of treasure destroyed by the World War and the very preservation of civilization for ourselves and for posterity."

Sounds familiar, doesn't it? A ringing declaration of goals, it could be a 1963 statement of purposes of the AAUN.

It is, however, an extract from "A Challenge to the President" from the officers of the League of Nations Non-Partisan Association, issued in December 1923.

It was in May of 1923 that a group of Americans incorporated the new organization as an outgrowth of the experience of the prewar and wartime League to Enforce Peace.

Heading this new national movement, new in the mores of American nongovernmental existence, were men and women whom we would consider pioneers today. The word "pioneer" conjures up in our mind's eye long lines of covered wagons, guns, and rifles cocked for action by hardy men and women who crossed the uncharted territories of the yet to be settled United States.

Yet these people of 1923 were pioneers too:

Justice John Clarke, who resigned his Supreme Court seat to head the new citizens' organization.

Mrs. Carrie Chapman Catt, known nationally and internationally for her efforts to win the vote for women.

Raymond B. Fosdick, an American who had served as Under Secretary General of the League of Nations, 1919-20.

George Wickersham, who had been the Attorney General of the United States.

These were the first officers of the League of Nations Non-Partisan Association. Although they did not travel by covered wagon, these comfortably situated, prominent Americans took the difficult course of volunteer leadership to chart the unknown path of building public opinion in support of U.S. participation in the new world organization, the League of Nations.

It is interesting to review here the first statement of purposes issued in December 15, 1923:

"It is the aim of the League of Nations Non-Partisan Association:

"1. To make the value of American membership in the League and the Court known to the people of the United States.

"2. To inform regarding the League and the Court all candidates for the Presidency, the Senate, House of Representatives, and delegates to national conventions, and secure from them pledges of support for American membership therein.

"3. To urge in every possible manner the adhesion of the United States to the Permanent Court of International Justice on the basis recommended by President Harding and Secretary (of State) Hughes on February 14, 1923.

"4. To secure platform commitment in favor of American membership in the League of Nations from all political conventions held in 1924."

This early pronouncement from the association was issued from its first headquarters located at 15 West 37th Street in New York City. (In February 1924, the organization was to move to 6 East 39th Street because of the need for more space. The association stayed at 39th Street for several years, moving to 8 West 40th Street later.)

Organizations need funds to start and to exist. A look at the first ledger of the association shows these names as some of the prominent contributors and members:

John W. Davis, Ralph Pulitzer, Mary E. Woolley, Jane Addams, John D. Winant, Herbert H. Lehman, Edward Filene, Ruth Baker Pratt, Newton D. Baker, Thomas J. Watson, Mrs. James Lees Laidlaw, Samuel Fels.

The minutes book shows that the secretary of state of the State of New York, a Mr. James A. Hamilton, acknowledged receipt to the association of the certificate of incorporation "of your company" and placed it on file as requested, on May 11, 1923.

An early executive committee meeting, held even before the May date of incorporation, records that it was decided to set the dues at \$1. The membership rolls of the League To Enforce Peace and the Woodrow Wilson Foundation were to be circularized to build strength into the new citizens' organization.

How many New Yorkers remember the Lexington Avenue Opera House? A minute of a meeting shows that there were to be arrangements made for a public meeting there to strengthen the program in that city.

An early edition of the League of Nations Herald, publication of the association, features an article from Washington on the flood of letters expected to arrive at the White House urging that the United States recognize the World Court. "Writing letters to the President is one of the main features of World Court Week," says the correspondent. "The letterwriting campaign is under the auspices of the Committee on International Justice and Goodwill of the Federal Council of Churches."

A report comes in the same issue of the Italian-Greek conflict over Corfu with an editorial comment that "the successful settlement within the month, of a controversy in all essential respects similar to the Sarajevo incident that began the World War, amply testify both to the value of the League and the skill of its leaders."

Dr. Fridtjof Nansen, Norwegian explorer whose name has become identified with passports for the world's homeless, was High Commissioner for Refugees of the League of Nations in 1923. His visit to the United States under the auspices of the Church Peace Union and organizations including the association was a major event of the year.

Announcement of the Bok Peace Award competition was made by the association in its journal, with the comment that members of our organization could express their approval or disapproval of the winning plan when it would be printed in an early issue.

The League of Nations as a debate topic in the high schools was reported at a new high, with students from over a dozen States writing into national headquarters for debate materials.

The question of outlawry of war through the League was answered in firm language by Justice John Clarke in a message to association members. "In my judgment the only reasonable prospect of outlawing war in time to prevent another world war, which will render discussion of the subject useless, is through the League of Nations," he stated.

National attention was focusing in 1923 on the issue of U.S. entrance into the World Court, and it was considered a matter of major importance that the association re-emphasize its prime purpose—that of urging the entrance of the United States into the League of Nations. This move for national reaffirmation of purpose came at a time when public attention in this country was caught up in the World Court issue.

Twenty-five nations were represented at the 1923 meeting in Vienna of the International Federation of League of Nations Societies. Theodore Marburg, of Baltimore, former U.S. Ambassador to Belgium and leader in the association here, was instrumental in the setting up of the international agency. His son, Charles Marburg, continues this interest today in the World Federation of United Nations Associations. The report brought home to the United States by our own delegates, Henry A. Atkinson and Robert J. Caldwell, shows a high degree of warmth in the international discussions, but "with good spirit," the gentlemen say.

A report from Los Angeles tells of the "desire of the leaders of the General Federation of Women's Clubs to make the cause of international peace the central feature of our biennial convention in 1924."

The correspondent continues, "There is a feeling of much gratitude among California women that this State has been chosen as the first in which to begin to line up the forces which are working out a practical peace program."

And when women working for world peace were spoken of, there was one name that stood out in the League of Nations Non-Partisan Association. Mrs. James Lees Laidlaw, prominent New Yorker, served from the inception of our organization as a leader in the fight to bring the American public to a realization of our place in the world. Today, her daughter, Mrs. Dana C. Backus, carries on this tradition in the AAUN.

Looking backward helps us all to look forward. We are told that history is prelude. This bird's-eye view of the beginnings of our organization serves to bring into focus the background that forms the basis for today's efforts.

To not one of those first leaders of the association can it be said: "You did not work hard enough."

To none of them can we say: "You did not give enough time and effort to the organization."

To all of them it can be said: "Yours was the hardest job of all, trying to open new frontiers for our minds, bring new concepts to us as Americans, show the urgency of and practicality of our Nation reaching up to new responsibilities in the world."

Lessons to be learned? Of course, lessons for all Americans in the valiant beginnings of the citizens' organization called the League of Nations Non-Partisan Association; lessons we must cherish constantly.

CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE SUPPORTS CIVIL RIGHTS LEGISLATION

Mr. KEATING. Mr. President, a statement recently issued by the Catholic Association for International Peace strongly endorses action on pending civil rights legislation.

The statement emphasizes the moral and religious principles at the heart of the basic question. It points out that while the enactment of civil rights legislation may reduce the threat of widespread violence, may enhance the prestige of our country and may increase the strength of our economy, the main basis for the Catholic Association for International Peace's support is that this legislation is designed "to remove from the Negro unjust burdens under which he has so long labored," and "to insure for the Negro the exercise of rights which he has been so long denied."

"These rights and their concomitant duties," the statement points out, "derive from the very nature of man."

Mr. President, I know that this statement will be of interest to many members, and I ask unanimous consent that it may be printed following my remarks in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE CATHOLIC ASSOCIATION FOR INTERNATIONAL PEACE IN SUPPORT OF THE CIVIL RIGHTS BILL

The Catholic Association for International Peace, which seeks peace with dignity for all men throughout the world, strongly endorses the civil rights bill now being considered by Congress. The measures which this bill advocates are justified in terms of traditional Catholic principles regarding racial justice, principles which are being articulated with ever-increasing refinement and urgency.

In 1958, the Catholic bishops of the United States issued a statement on discrimination and the Christian conscience. The bishops pointed out that, although great strides had been made since they had addressed themselves to the evils of racism 15 years earlier, in recent years "the march toward justice and equality has been slowed if not halted in some areas. The transcendent moral issues involved have become obscured, and possibly forgotten."

Five years later, in spite of recent advances, these words are still applicable in large parts of our country, North and South. And it remains true that, as the bishops said, "the heart of the race question is moral and religious." Enforced segregation carries with it "the judgment that an entire race, by the sole fact of race and regardless of individual qualities, is not fit to associate on equal terms with members of another race. We cannot reconcile such a judgment with the Christian view of man's nature and rights."

In this country, enforced segregation has long deprived the Negro of rights and privileges which, in justice, are his. In the basic areas of education, employment, housing, and voting, oppressive conditions have prevented him from exercising his full human rights. The various evils which have followed upon this oppression, which are a direct consequence of segregation, are now being ascribed to the Negro and offered as reasons for continuing the very conditions that engendered them. This circle must be broken and the measures contained in the civil rights bill, as it was recently reported

out of a House Judiciary Subcommittee, are designed to do just that. The provisions directed against segregation in public accommodations, the injunctive relief to be invested in the Office of the Attorney General in cases where constitutional rights are violated, the FEPC legislation—all insure that the Negro will more nearly attain that status in our society which is properly his.

The Catholic Association for International Peace supports the civil rights bill, not because it will, if enacted, reduce the threat of widespread violence—although it may do that; not because it will enhance the prestige of our country in other lands—although it may do that; not because it will increase the strength of our economy—although it may do that. The CAIP supports this bill and urges that it be enacted without crippling compromise because it is designed to remove from the Negro unjust burdens under which he has so long labored, because it is designed to insure for the Negro the exercise of rights which he has been so long denied.

These rights, and their concomitant duties derive from the very nature of man. The Catholic bishops of the United States said in their joint pastoral letter of August 23, 1963:

"Respect for personal rights is not only a matter of individual moral duty; it is also a matter for civic action. Pope John stated: 'The chief concern of civil authorities must . . . be to insure that these rights are acknowledged, respected, coordinated with other rights, defended and promoted, so that in this way each one may more easily carry out his duties.'

"We know that public authority is obliged to help correct the evils of unjust discrimination practiced against any group or class. We also recognize that every minority group in America seeking its lawful rights has the obligation of respecting the lawful rights of others.

"It is clear that the racial question confronts the conscience of every man, no matter what his degree of direct or indirect involvement. Indeed, the conscience of the Nation is on trial."

HONORS FOR CLIFFORD E. CARPENTER

Mr. KEATING. Mr. President, a fitting honor recently came to a fellow townsman of mine in Rochester, N.Y., when Clifford E. Carpenter, editor of the Rochester Democrat & Chronicle, was installed as the new chairman of the National Conference of Editorial Writers. This tribute is an eloquent reaffirmation of the high esteem in which Cliff Carpenter is held by his fellow editors, and climaxes a long and varied career in journalism.

Cliff Carpenter's penetrating editorials have earned for him and his newspaper broad respect and admiration. They combine commonsense, wide knowledge, and effective use of the English language.

Because he speaks with authority based on travel, experience, and training, Cliff Carpenter has become one of New York's most important opinionmakers. I am delighted to have this opportunity to salute him for this recent honor and to wish him continued success and happiness in the days ahead.

Fittingly enough, an excellent example of the fine editorials was published in the Rochester Democrat & Chronicle on October 6, the day after Cliff Carpenter's elevation to chairmanship of the editors group. This editorial synthesizes the

thinking of some outstanding citizens as they grappled with the issues of modern man's dilemmas. I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MODERN MAN'S WOE: FEARSOME, BUT THERE'S A SILVER LINING

Let's face it—modern man is in a terrible fix, a three-letter word meaning a "position from which it is difficult to escape." That was the all but inescapable conclusion reached in Rochester last week by a panel of experts who tackled, from their various vantage points of expertise, "Modern Man's Dilemma in an Age of Tension."

The colloquial "fix" is probably a more applicable word than "dilemma." The latter means a situation demanding a choice between equally undesirable alternatives. It would be a dreary day indeed if there were no desirable choices. As Rabbi Bernstein of Rochester put it, the word suggests a paralysis of will whereas we need a program of action to deal with the "fix" we are in.

Whatever the semantics, the realities cannot be softened or disguised by words. Our problems may not all be new but their extent and number give them a baffling complexity.

For example, there was tension when Moses led the Israelites from Egypt but it was unlike the tension created by the possession of nuclear weapons by the Big Powers.

There have always been inadequacy and indigency in a world of men but, as documented by State Commissioner of Social Welfare George K. Wyman, never in their modern proportions. Society cannot afford merely to throw up its hands at the fact that one of every six of the nations' adults, because of chronic disease, handicaps, old age or lack of jobs, cannot earn a living or keep house; that 1.5 million children are chronically ill; that 11 million persons are illiterate; that 30 million people live in slums; that two-fifths of the population support the other three fifths. There must be a will to find answers.

Other problems? One panelist emphasized that in the ranks of the dispossessed, the disinherited, the discriminated against, the Negro stands in the forefront. The Negro insists upon treatment as a human being of dignity and, in one view, achieving this is America's most urgent problem.

The very tangible benefits of that intangible quality of freedom must not be taken for granted. Who can quarrel, then, with the principle that our future hinges on the values we should cherish most—values like freedom, integrity, equality of opportunity, a sense of justice? Modern man often seems more attentive to expediency, finagling, chiseling. Is he bowing before false gods?

These problems—and there are more—cannot be avoided, despite the reluctance to meet them. As Dr. Marvin A. Block of Buffalo, phrased it, "In a world as tense and complicated as ours, it is normal for us to seek diversion or escape."

Certainly there is no permanent escape. Dr. Block made this clear when he spoke of those who try to elude reality through the use of alcohol, narcotics and other drugs. Thus the very urge to duck or ignore our problems itself becomes a major problem. It can be translated into the apathy that sends a school budget before an empty hearing room or causes pathetically small voters' turnout.

Nevertheless relaxation or relief from tensions is a vital part of society's therapy. Dr. Block concedes we must look to athletics, books, plays, music, movies, or a variety of avocations when ordinary living pressures become too great.

Dr. Howard Hanson, director of the Eastman School of Music, another panelist, is

escape minded and makes no bones about it. But he takes a different angle. His theory is that our tensions grow in direct ratio to the jet-age speed in which we live: "We are like a jet plane hurtling through the air . . . bound for an unknown land with no pilot at the controls, or, at best, a pilot who has lost his sense of direction."

Every man, in Dr. Hanson's view, must have his "island," whatever its form, in which to commune with nature, to refresh his soul, to regain perspective.

This, we must agree, is not escape but a means of reshaping one's tools for dealing with problems. Here is more from Dr. Hanson:

"Even in this mechanistic age the islands remain . . . but if man is to find them he must search in the arts and the humanities. He will not find them in the sciences . . . science may be used . . . to kill or cure . . . it may take us to the moon but it cannot give purpose to the trip. Economy-minded Congressmen might do well to consider the possibility of saving billions of dollars by spending a few more million on the cultural exchange program . . . Whence comes this judgment of comparative values, this sense of direction? Only from a search for God, for beauty as well as truth, for the meaning and purpose of life . . . from faith in the sanctity of the human spirit, from a belief of man in the grand design. For without this conviction man is a small rat caught in a cosmic rat trap from which he cannot escape . . . To set man once again on the path which leads to heaven requires all of the powers of philosophy, art, and above all, of religion."

There is one answer, that of a nationally known musician and teacher. Are there other answers? Rabbi Bernstein sees the solution in an implementation of the Ten Commandments. In social and economic areas Commissioner Wyman envisions in some future day public welfare highly integrated into an organization of specialists from welfare, education, housing, labor, working with private leadership in the community—business, industry, management, labor, voluntary social agencies, and medicine. He sees the solution in a giant co-operative approach.

If one strong, consoling thought stands out in this fast synthesis of opinion, it is that our dilemma is also a hopeful paradox. The world, so deeply troubled, is rich in the potentials of good will, human talent, physical and spiritual resources, and a restless energy to progress. The way out, is to put them to work.

FEDERAL VERSUS STATE JURISDICTION IN THE FIELD OF WATER DEVELOPMENT

Mr. KUCHEL. Mr. President, western America continues to face a vexing problem with respect to Federal versus State jurisdiction in the field of water and water development. The distinguished junior Senator from Idaho [Mr. JORDAN], a lifelong resident of his State and a former able chief executive of his State, is intimately and thoroughly acquainted with the water problems of the West. He has been a vigorous advocate for his State and for all of western America in maximum development of their natural resources.

On October 24, the Senator from Idaho spoke at the annual convention of the National Reclamation Association in Sun Valley, Idaho. He made a powerful presentation of some of the more important questions confronting Western

States. He described in detail a piece of proposed legislation sponsored by Senators on both sides of the aisle, which would be a first step toward solving the Federal-State jurisdictional question in the field of water.

I ask unanimous consent to have printed in the RECORD the entire text of the speech of the distinguished Senator from Idaho.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SOUND WATER RIGHTS—THE BASIS FOR SOUND WATER PLANNING AND SOUND WATER PROJECTS

Mr. Chairman, President Coles, distinguished guests and members and friends of the National Reclamation Association, I thank you for the warm welcome extended to me. I was most pleased to receive the invitation to meet with you and to share with you some of my thoughts concerning matters of common interest.

I am happy to be here, not only as your guest at this particular convention, but also, in a way, as one of your hosts to my home State, which I am proud to represent as a U.S. Senator and which I have been privileged to serve in various capacities. I join Governor Smylie, Senator Church, your Idaho director, Alex Coleman, and President Tom Olmsted of the Idaho Reclamation Association in welcoming you to Idaho.

This occasion has a special personal satisfaction for me. It permits me to proudly view your president, La Selle Coles, in action and to recall that many years ago when I was a senior at the University of Oregon I first met La Selle when he enrolled as a freshman along with my younger brother. I was head of a fraternity house at that time and we thought La Selle looked like a promising chap, so we took him in. I have followed his career through the years and he has fully justified the confidence we had in him. I salute him—and the NRA for having him as its leader.

No one recognizes more that I do the valuable service which the National Reclamation Association has rendered to development of the 17 Western States over the years. I approve, also, your more recent extension of interest in the two new States of Alaska and Hawaii.

Since becoming a member of the U.S. Senate Committee on Interior and Insular Affairs in 1962, and especially since joining the Irrigation and Reclamation Subcommittee upon organization of the 88th Congress, I have come all the more to welcome the counsel of this association, which I have drawn upon most of my adult life while wrestling with the water problems of Idaho, the whole Columbia Basin and now those of the entire Nation.

We members of the Interior Committee always welcome the testimony of your able secretary-manager, Bill Welsh, and/or that of your various directors or other representatives who appear before us from time to time.

Incidentally, I remind you that Bill Welsh knows Idaho well. He served for 24 years as the watermaster of the Boise River in the southwestern part of the State.

I was especially pleased to participate this year in the ninth annual conference between the NRA Board of Directors and my Interior Committee on March 6. We had a beneficial discussion of many issues, including some of those relating to my topic for today.

My subject for today is "Sound Water Rights—Basis for Sound Water Planning and Sound Water Projects." I defend the position that water for consumptive use such as domestic, municipal, irrigation and industrial should have priority over water for

hydroelectric purposes. And I defend this position on the grounds that people need water and nothing will take its place, that desert lands need water and nothing can take its place, that food processing and allied industrial uses require water and nothing can take its place, but that electric energy can be supplied from many sources other than falling water and finally, that the primary responsibility for supplying the power needs of an area rests with the people locally.

Our stewardship of the Nation's water resources lies in putting these resources to the highest possible use. Now, let me talk with you some about how we can better assure the highest performance of our stewardship through the implementation of what I consider to be a very seriously needed piece of Federal legislation. This past April I joined Senator KUCHEL, of California, the ranking Republican on my Interior Committee and on my Irrigation and Reclamation Subcommittee, and the chairman of that subcommittee, Senator Moss, of Utah, in sponsorship of a bill designed to rectify and settle some of the existing problems arising from claims made by representatives of the Central Government in regard to the control and use of our Nation's water resources. This legislation primarily affects the West, but it should be of concern to all those interested in wise use of water and good government.

This bill bears the designation S. 1275. It may be familiar to many of you already. I hope it is. Companion bills have been introduced in the House of Representatives on a bipartisan basis. No hearings on this legislation have yet been held, or even set, because of the failure of various agencies of the executive branch to render the comments which have been requested of them on this bill in accord with the usual procedure.

At this point, let me give you a little background and describe briefly what S. 1275 would do. This is for the benefit of those of you not familiar with the problem or with this bill. Then, I wish to discuss some particular issues within the scope of S. 1275 about which I have been particularly concerned recently. And, finally, I will outline some of the other newer developments in this field—all with the purpose of demonstrating why I am so convinced action must be taken on this bill with a view to clarifying the status of water rights in our reclamation States, as well as in other parts of the Nation under some circumstances.

I will not undertake here to provide a complete history or a detailed legal analysis of what has come to be known as the Federal-State water rights controversy. I commend to you Senator KUCHEL's speech in the Senate on April 4, 1963, when he introduced S. 1275, if you desire citations of the pertinent statutory and case law on the subject. Also, I understand that there will soon be published a collection of the several papers on this subject which were rendered by various water experts at the Western Water Law Symposium held in conjunction with the 14th Annual Spring Conference of the National District Attorneys' Association in Los Angeles on March 11, 1963.

S. 1275 of this 88th Congress is a successor to Senator KUCHEL's S. 2636 of the last Congress. Earlier bills on the same subject, but differing in various respects, include the bill of former Senator Frank Barrett, of Wyoming, considerably revised as reported in the 84th Congress, and the so-called agency bill first suggested during the 85th Congress, representing the maximum consensus which could be gained at that time from certain of the most affected executive departments of the Federal Government. That agency bill having, as it did, approval by important segments of the Eisenhower administration, perhaps represented the high watermark, until now at least, for the States rights point

of view in this field. It failed of enactment, in large part, because of the lack of broad support from the grassroots groups which withheld support because the bill did not, in their opinion, go far enough to limit Federal power.

I think such an attitude was a mistake. We might have been better off today if support had been forthcoming. Let me make it clear right now that S. 1275, though it does solve more problems than the agency bill, does not go as far as some would wish. It does not, for example, require Federal compliance with State regulation of water in all instances, as your association's resolution 2 of last year's convention would call for.

The important thing is that S. 1275 does all that we sponsors believe can be implemented in this Congress under this administration. I am happy to report that this time the grassroots groups seem to agree with this appraisal and are rendering excellent support. I hope this association will do so at this convention. More about that later.

Now, what does S. 1275 do? Briefly, it first includes all of the agency bill's protection against the reservation theory of the Central Government supremacists. From the earliest days of water development in the West and, in particular, ever since the Desert Land Act of 1877, it has been assumed that nonnavigable water having its source on public, that is, Federal land was available for appropriation by people in accord with State law. This assumption was confirmed by the U.S. Supreme Court as late as 1935 when it said that such water was, to use the Court's words, "subject to the plenary control of the designated States, * * * with the right in each to determine for itself to what extent the rule of appropriation or the common-law rule in respect of riparian rights should obtain."

Then, in 1955 came the infamous *Pelton Dam* decision of the Supreme Court. This opinion restricted the definition of "public lands" in the Desert Land Act to mean only those open to entry under homestead laws and not those which had been withdrawn or reserved. This immediately gave rise to the centralists' contention that, therefore, upon any withdrawal or reservation of public lands the United States thereby ipso facto established for itself a priority to use, at any time in the future, waters of those lands, regardless of whether an individual or private or non-Federal public entity downstream might, in the meantime, otherwise qualify for a right to use the water in accord with the rules and procedures of the particular State.

S. 1275 would cure any possible defect in any such State-based right by providing: "the withdrawal or reservation of surveyed or unsurveyed public lands, heretofore or hereafter made, shall not affect any right to the use of water acquired pursuant to State law either before or after the establishment of such withdrawal or reservation."

Second, S. 1275 would make applicable to all future reclamation and other federally authorized or licensed works with respect to waters of the West the salutary principle of priority of consumptive over nonconsumptive uses. Such a rule is now applicable to flood control and navigation projects generally in the West. It has been written into many pieces of reclamation legislation on a project-by-project basis.

Third, S. 1275 would assure that in those instances when the United States claims a water right in its proprietary, as contrasted to its sovereign, capacity it must satisfy the same laws and procedures that would be applicable to you or to me in acquiring a similar proprietary interest in water. That is only fair. But, sadly, Federal officials of the executive branch have asserted that such State regulation is not applicable to them even when establishing a proprietary right

without asserting any constitutional power of sovereignty. A Federal district judge recently rejected this bizarre Justice Department contention, but the Attorney General has appealed that ruling and we need S. 1275 to bury the centralists' contention even deeper.

For a fourth prong in the attack of S. 1275 against centralism, we have what actually should need no statute. But, here the Congress must act to put down what, to me, seems to be a most extreme assertion of the constitutional sovereign powers of the Federal Government.

The Bill of Rights assures anyone deprived of property by the necessary and proper action of the United States that he will be fairly compensated. Further, it is our practice that if agreement with the owner as to value is not reached prior to the impairment, then the United States initiates a court proceeding for the orderly and fair determination of that value. Meanwhile, the Federal project is then undertaken unimpeded by the proceedings to determine the extent of compensation.

However, such has not always been the experience in water matters. There lurks in the case law the theory of the navigational easement. This theory holds that inherent in the Federal constitutional power to regulate interstate commerce is the right to regulate broadly defined navigable waters without regard to existing uses of that water which may otherwise be protected under State law. Congress has relieved the prior right holders of the burden of this servitude in some instances, as under the Reclamation Act and the Federal Power Act. But, in other situations, including navigation and flood control projects, in the absence of specific relief, the United States can presently trammel rights which would be protected in any other context than water. Certainly no one claims that our power to build the interstate highway system includes the power to do so without compensating the owners who are deprived of land by it. There is no reason to treat water right owners differently. S. 1275 would abolish that different treatment.

The bill would do even more in this regard. Even in those instances where Congress has refused to exercise the asserted navigation easement, nevertheless the executive authorities have contended, and the Supreme Court has upheld them, that the United States may impair the water rights without reaching agreement on compensation with the owner and even without instituting court action to determine the issue of value.

The U.S. Justice Department has successfully left the injured party to redress his grievance by himself undertaking to bring suit, often without adequate accurate information as to the extent of the right the United States is claiming, and in all cases above \$10,000 in the remote and difficult forum of the Court of Claims, rather than in his local U.S. District Court.

S. 1275 cures that, too. It not only says: "No vested right to the beneficial diversion, storage or consumptive use of any waters, navigable or nonnavigable, which is recognized by the laws of the State or States in which such waters are diverted or used as compensable if taken by or under authority of the State, shall be taken by or under the authority of the United States without compensation."

But it also goes on to add procedural protection to substantive protection by providing: "and where such rights are acquired otherwise than by agreement with the owner, they shall be taken the laws of the United States or of the States affected."

The bill also retains such other limits on Federal power as now exist and protects treaty obligations and other existing rights.

I move now to some recent manifestations of what I consider to be a regrettable atti-

tude of the executive branch toward the integrity of water rights, State and local interests and the primacy of consumptive uses of water. In so doing, I believe I will demonstrate that we do have real problems and show further why we need S. 1275.

A general attitude of complacency, at best, and perhaps really one of smug indifference, toward the concern of the great majority of water people over water rights and development of the West has been exhibited by the failure of the present administration even to render, as yet, their requested comments on S. 1275.

In fact, Senator KUCHEL's similar bill, introduced in the last Congress on September 25, 1961, was never reported upon by the administration, although requests were made of four of its Departments plus the Bureau of the Budget and the Federal Power Commission. These agencies are all under control of the Executive Office of the President for purposes of reporting on legislation—this by virtue of an Executive order issued by President Franklin Roosevelt.

Thus, S. 2636, 87th Congress, died over a year after it was referred to the administration, for without reports we could not hold meaningful hearings and the executive branch thereby frustrated the legislative process—and, I think, the people's will.

It appears we are now encountering the same familiar stall. By letters of April 12, 1963, the chairman of the full Senate Interior Committee asked the same six executive agencies to offer their comments on S. 1275. We have yet to receive a single reply, beyond routine acknowledgments of the referral.

When the administration likes a proposal we have no trouble getting reports. But when a bill is inconsistent with a philosophy of paramount Federal authority, or is otherwise repugnant to the administration, they are dilatory about reporting, or even fail to report. They know that the usual practice is not to have legislative hearings and/or action without the executive branch comments having been rendered.

Sometimes delay can be attributed to a heavy workload and it becomes a matter of the squeaking wheel getting the grease. But in this instance, we sponsors of this bill have been squeaking. The administration knows of the desires of the sponsors for early consideration of this bill. Senator KUCHEL has been pressing for reports by the agencies. I have done so, too, including an expression at a recent committee hearing of my dissatisfaction with the absence of administration comments on S. 1275. But, nothing has been forthcoming from the agencies.

It seems to me that the elapsed time of over 6 months, plus the period on predecessor S. 2636 and the long consideration on similar legislation over the years, has given the administration ample opportunity to study the matter and prepare comments on S. 1275. I am glad to say that just a few days ago, in executive session, my Irrigation Subcommittee colleagues expressed the joint conviction that we had waited long enough for reports. As a result, Senator Moss, the chairman of the subcommittee, has written Secretary Udall insisting on action.

We have had experiences in the past when we set hearings without reports and we have found that the executive agencies thereupon get to work and get their comments formulated. They then either submit them in writing or appear at the hearings rather than have the bill considered without their views being known. We have actually encountered the ridiculous situation of having reports handed to us the night before, or on the very morning of, the commencement of hearings. This is a deplorable performance by the agencies, but I am willing to risk even that sort of treatment if it will advance the cause of this legislation.

I think it is time we call this administration's bluff on conservation—find out just

how much they really care about the maximum utilization of the water resources of the West, or whether they intend to just pay lipservice to conservation while they turn their backs to the basic issue of water rights which is the very foundation upon which wise conservation practices are established.

President John Kennedy recently made a much-publicized tour, mainly in the West. Though the States he visited formed an interesting pattern relating to where the President ran poorly in 1960, and where Senators of his party are up for reelection next year, the tour was billed as a nonpolitical conservation tour. By platitudes he tried to mesmerize Westerners into believing that he was sympathetic and alert to our water resource needs, yet he holds back the word that would bring reports from executive agencies and thus clear the way for congressional action on legislation that is long overdue.

The President seems to forget that this is one Nation and that a strong West means a strong Nation. I do not mean to belittle the problems of the big cities of the East. I think they need our attention. What I do say is that the rest of the country cannot be ignored because of an infatuation with one's own political fortunes. And I say that sound reclamation projects in the West should not be jeopardized by a weird philosophy of Federal supremacy over water rights.

President Kennedy wound up his trip with a speech in Las Vegas, Nev. There he said: "Water is the key of growth and its wise use is essential to the development of the United States." I hope he means it. Even more, I hope he understands how to implement it.

I think that the water rights bill which I have been discussing gives the opportunity to find out. The President is in control of what his Department chiefs will say in regard to S. 1275. His brother, the Attorney General, heads the Department of Justice and that Department's report on the bill will be most influential, at least with those who follow the administration line in such matters. Another of his primary New Frontiersmen, Stewart Udall, heads the Department of the Interior and its report will also be most important.

Of course, within the Executive Office of the President the Bureau of the Budget acts not only as a fiscal agency but as a policy-implementing arm as well. How the President, or his policymakers, through that Bureau, controls the substance of agency reports and when, and if, the Bureau clears any reports at all, will give us the best evidence of how the President really feels about the wise use of water.

I am apprehensive about what the administration will say on S. 1275. This is, in part, because of the mere fact that they have, so far, repressed consideration of the bill by not making their views known. I fear this may represent animosity toward the bill.

But, more than that, I am apprehensive because of a recent administration action and the cavalier handling of it and of my inquiries concerning it. I fear their attitude thus expressed is symptomatic of what we may expect on S. 1275. Let me tell you about this recent experience of mine, which is convincing evidence that this administration is politically motivated and power dominated.

Encouraged by President Kennedy's enthusiastic support, last year Secretary Udall and a full complement of staff assistants made an extended trip to Russia on an inspection of Russia's centralized system of hydroelectric production and distribution. Since then, the Secretary has shown great alacrity in implementing changes by Executive order—all moving toward centralized control over more of the Nation's power production and distribution. Three examples illustrate what I mean.

Secretary Udall, last spring, decided to bring Bonneville power into southern Idaho. This decision was based on a feasibility report, hastily contrived and challenged on every hand for its flagrant inaccuracies. Action was taken without public hearings. In this instance speed was all-important. In contrast to their unwillingness to face up to the vital water rights issue is their eagerness to dominate and control electric power distribution.

The net effect of the BPA takeover in southern Idaho has been to increase the overhead and reduce the rates on existing Bureau of Reclamation contracts, thus circumventing the will of Congress as set forth in the original enabling legislation. But their zeal in building a power empire does not end with the marketing of power from Federal dams.

Moving swiftly and again without public hearings last March, the Secretaries of Agriculture and Interior issued a joint directive aimed at control or elimination of their non-Federal competitors. This joint order stipulates that applicants for transmission line right-of-way over public land must agree to turn over to the Government surplus capacity of the line for Government use, give the Federal Government the right to expand the capacity of the line for permanent Government use and no right-of-way will be granted if that line shall be contrary to Federal power marketing policy.

The net effect of this order has been to delay the orderly construction of about \$250 million of transmission line construction by non-Federal taxpaying utilities.

Power revenues have played an important role as the paying partner of irrigation in some multipurpose projects. I hope this arrangement will continue but I wonder what effect the new "rolling maturity" accounting system adopted last spring by directive from the Secretary of Interior will have on this program.

If power costs are to be repaid first before irrigation costs, what happens to reclamation if the power costs are never repaid as they are rolled ahead with the addition of each new project?

From the three above-mentioned directives, the questions naturally arise, must we now clear future reclamation projects through the Bonneville Power Administration and what priority will be assigned future reclamation projects in relation to existing Federal power requirements for water? And are we moving toward a "commisariat of kilowatts" patterned after the Russian system?

These are events of the past 6 months and offer convincing evidence that in the field of water resource development, the emphasis has shifted from reclamation to power. I have grave concern about this course of developments. Some of my inquiries on the Secretary's decision regarding southern Idaho reflected that concern. But I am not going into that here.

I well remember, and agree with, the remarks of your Arizona director, J. A. Riggs, Jr., during your board's meeting with the Senate Interior Committee in March, to the effect that our primary objective of getting water on the land or to people or industries should not be confused with, and possibly frustrated by, what should be a separately debated issue of Government versus private power.

Our main concern is with water for consumptive use and whether that use will be subordinated to Federal kilowatts. That is why I also inquired of Secretary Udall about administration policy on that question. This is the issue with which I deal here now.

Following his Bonneville-southern Idaho decision, I wrote to Mr. Udall on June 11, 1963. In my letter to Secretary Udall I told him of my dissatisfaction with his failing to hold public hearings in advance of his decision, so as to permit the people of Idaho

to know what this action means to the State. I had been swamped with mail inquiring as to what his action implies.

I expressed my conviction that back through the years Idaho's contacts with the Bureau of Reclamation have been most satisfactory. I inquired whether now there might not arise a problem of intervention by an inappropriate agency in the future reclamation projects of the area, since the Bonneville Power Administration—an electricity agency rather than a water agency—was now taking over the present Bureau of Reclamation power contracts.

And, lastly, I referred to the Secretary's departmental reports and press releases on his decision and in my letter to him I said:

"You imply also that future reclamation projects will have priority over hydroelectric projects. These are comforting words to Idaho reclamationists and I hope this has administration approval; but because of the overriding importance of this issue, Idahoans will hope for verifications of your position by the Chief Legal Officer of the United States."

That is, of course, the President's brother, Robert. I continued:

"In order to clarify this point, may I suggest a simple statement something like this: The rights of the Federal Government to water originating in or flowing across Idaho for power purposes are subordinate not only to existing water rights but also to future irrigation rights to be acquired under Idaho's constitution and statutes."

Then I said: "If this sentence correctly states what I understand your position to be, does the Attorney General concur?"

About a month later I received a reply to my letter to Secretary Udall. But the reply was not signed by Mr. Udall. It was signed by the same Assistant Secretary, Kenneth Holum, who made the feasibility report I was challenging.

I immediately wrote again to the Secretary. I expressed dismay that the person originally making the challenged decision would be assigned to reply to an inquiry made of the Secretary personally, since it was he, the Secretary, who is the judge in the case, so to speak, of whom I inquired.

Further, I wrote Secretary Udall this in my second letter: "I am especially disappointed in Mr. Holum's answer to my question regarding water rights for future Idaho reclamation projects."

I told Secretary Udall what Mr. Holum had written—and I now quote Assistant Secretary of the Interior Holum's reply to my first letter:

Mr. Holum wrote: "You are correct in stating that it is the policy of the Department of the Interior that use of water for irrigation has priority over use of water for the generation of electric power, and will continue to have priority in the future. Whether Attorney General Kennedy concurs in this view is a question you may wish to submit to him."

I concluded this second letter to Secretary Udall by saying: "Mr. Secretary, I regard this as a cavalier answer to a question of great importance to my State. You are the Cabinet officer from whom one would expect to learn the administration's position on this matter. I now respectfully ask you this question: Does the present administration concur that the rights of the Federal Government to water for power purposes are subordinate to future irrigation rights to be acquired under State law?"

A month and one-half later, Secretary Udall himself replied. He too, said that it is the policy of his Department to give the use of water for irrigation a priority over its use for generation of electricity.

But, as to my question of whether it was the position of the executive branch, as a whole, that the rights of the Federal Government to water for power purposes are subordinate to future irrigation rights to be

acquired under State law, Secretary Udall replied that this point—and I quote him: "did not relate to policies in the use of water but was concerned with the basic legal question of State and Federal water rights. In this area, as you know, it is the law that governs rather than departmental policies. Let me assure you this Department is not reluctant to announce its policies in any of its fields of operation. However, where a given problem must be resolved through the law by appropriate legal interpretations and judicial inquiry, it is not then a matter of policy formulation." The implication here is that Interior policy flaunts the law and is therefore meaningless.

The Secretary concluded by suggesting that I, rather than he, as I had requested, inquire of the Attorney General on the matter.

So I did then write Attorney General Kennedy. I told him of my previous correspondence with the Department of the Interior and quoted to him their suggestions that I communicate directly with him. I put it to Mr. Kennedy quite clearly as follows: "From this exchange [with Interior] it is clear that my question is still not answered and, as suggested by officials of the Interior Department, I now respectfully put the same question to you: 'Does the present administration concur that the rights of the Federal Government to water for power purposes are subordinate to future irrigation rights to be acquired under State law?'"

I concluded by saying: "The people of Idaho, with more than a million acres of desert land to reclaim, want assurance that the water rights to be acquired under State law for this purpose will be recognized by the Federal Government as having priority over existing uses by the Federal Government for power purposes."

"Your answer will be appreciated."

The reply was a shock, to say the least. Attorney General Kennedy, evidently not sufficiently interested in this very important matter to the West, delegated his Assistant Attorney General for Lands to answer.

Incidentally, this Assistant Attorney General, Ramsey Clark, has clearly spoken out against enacting legislation such as S. 1275. It is, therefore, clear that as a policy matter he would probably dissent even from the slight comfort given by the Department of the Interior's announced policy.

But, the real kicker in Mr. Clark's reply on behalf of the Department of Justice is this. After restating my question to make it clear he knew what I wanted, Mr. Clark finished his letter abruptly with this: "As you know, the Attorney General renders opinions only at the request of the President or the head of a department. Since the question you present calls for a legal opinion we are unable to respond to it."

Now, is that not a profound answer by the Attorney General's staff to a question propounded to him at the suggestion of top Cabinet officials? First, the person I originally questioned, Secretary Udall, evades the issue himself and refuses to exercise his prerogative as a department head to make the inquiry of the Attorney General which I asked that he make. He tells me to do it myself. And when I do, I, a member of the people's board of directors, so to speak, am told that the Attorney General is unwilling to answer my question. Now, I ask you, in all sincerity, how can the administration's position be ascertained?

Well, I will tell you what I think is the real answer. They know they cannot square what the Congress has repeatedly said the law should be with what the Justice Department has been telling the courts it is.

The statutes are legion in which the Congress has tried very clearly to maintain the integrity of water rights based on State law. This whole issue of Federal-State water rights really should not exist at all.

But the Justice Department—and I will admit that this occurred to some degree under Republican Attorneys General also—has been searching for every possible loophole, has been dreaming up far-fetched interpretations of our statutes, and has been selling a bill of goods to the courts. Sometimes the judge, or judges, have not bought the package. But the Justice Department, having the enormous human and financial resources of the Central Government behind it, as it has, appeals and appeals until a sale is made to some court, which is often not familiar with, or sufficiently respectful of, the nature of water rights in the West. Thus, the Department crams its doctrine down the throats of the little people who have been fighting for integrity of our time-proven and congressionally honored system of water rights.

Thus, the need for S. 1275 is clear. We need it so that, as to the problems it covers, in the words of this association's resolution of last year, we can "at once, enact a law so clear and unambiguous as to be incapable of evasion by either Executive order or judicial interpretation."

This is no mere academic problem, as some seem to believe. It is real. It is with us today. It does make a difference. It means a great deal to the West. Let me spell that out even more than I have so far. I have specifics which have arisen even since our legislation was introduced in the Senate.

First, point 1 of S. 1275—the reservation of public lands effect on water rights: On June 3 of this year the Supreme Court announced its opinion in the long litigation over the waters of the lower Colorado River. This was primarily a dispute between Arizona and California, but I will not touch on that aspect here. The point for our purposes now is that the Court clearly upheld the Justice Department's theory that reservation of public lands implied a reservation of such water appurtenant to that land as may ever be needed in the future on such reservations—Indian, forest, wildlife, or recreation.

This theory the Court applied not only to congressional withdrawals but also to those effected by Executive order alone. And even though nothing was said in the relevant statutes or orders about the matter of water.

Mind you, I do not wish to deny to Indians, wildlife enthusiasts, forest users, or recreationists a call on any water which is needed for their purposes so long as some present higher use does not override. The point is that the Federal Government's reservation theory results in putting on the shelf, so to speak, for possible future use a valuable and often scarce, but usually renewable, resource in a highly unpredictable amount and quite apart from other existing needs for that resource.

For example, in the Southwest, water is precious and all available supplies are being developed to save existing agriculture or to meet existing or immediately future domestic and industrial purposes. In the case of one of the Federal water reservations the Supreme Court approved in the *Arizona v. California* case, the Court put on the shelf for conjectural future agricultural use, which would probably enure more to the benefit of absentee non-Indian lessees rather than the relatively few, 2,000, Indians on the reservation, enough water for the domestic uses of 1½ million people in the burgeoning population centers of the Southwest.

So, my point is that I do not think that is a wise allocation of water, and S. 1275 would avoid such unfortunate results by freeing the longstanding principles of western water law to work as they have for the benefit of the people over the years.

The second point of S. 1275, the consumptive use preference provision, is, of course, right on the nose of the legal issue I took up with the Interior and Justice Departments and on which they refused to tell

their position concerning the present status of the law. We need S. 1275 to settle that point.

The third point of S. 1275, the requirement that the Federal Government comply with State regulation when asserting water rights under proprietary principles as distinguished from the sovereign power of eminent domain, is also a current and real issue. The Justice Department has recently announced its intention to appeal the lower court decision, I earlier referred to, which had denied the central supremists' claim of the right to take water without either complying with the State regulation or paying damages to the others it harms in doing so. That is the notorious *Fallbrook* litigation, and we need S. 1275 to avoid such claims by the Department of Justice.

Finally, the fourth point of S. 1275 is hardly academic either. On April 15, 1963, the U.S. Supreme Court handed down another decision granting to the executive branch a broad power to do that which S. 1275 would prohibit; namely, the seizure of water without first instituting court proceedings to determine fair compensation for those who will be harmed by the seizure.

In so doing, the High Court overruled western water lawyers, a western Federal district judge, and a three-judge panel of our western Federal 9th Circuit Court of Appeals. That is the well-known case of *Dugan v. Rank*, formerly known as *Rank v. Krug*. S. 1275 would avoid such a result in the future.

So, the situation is clear. There are real and present problems in the field of western water rights.

Water planning, such as is going on all the time and as would be implemented under the terms of other pending legislation, S. 1111, the water resources planning bill, is best done in full awareness of who has what and who can do what with regard to available water. Testimony at our irrigation subcommittee's recent hearings on the water planning legislation was, to a great extent, to the effect that S. 1275 should be enacted simultaneously with the planning bill, S. 1111. Harmonious and sound water planning requires sound water rights.

Also, the implementation of planning by the construction of projects requires sound water rights. The West cannot afford the luxury of disputes either before, during, or after the construction of our dams, conveyance facilities, and service works. Objections to proposals would often disappear if those who would be affected knew where they stand with respect to water rights. We could proceed with the job sooner and run it more smoothly after it is finished. S. 1275 would remove many possible doubts which might otherwise exist concerning the far-reaching proposals which we can anticipate will continue to be the rule in the future of water resource development. Enactment of our bill would actually help Federal as well as State and local projects—by clarifying a now too confused situation concerning Federal authority under Federal projects.

Just as the problems I have discussed are clear, so is the solution. It is enactment of S. 1275.

And, as the solution is clear, so are the means necessary to implement it. It is broad grassroots support from organizations like yours.

Only with such support can we overcome administration indifference, and maybe even hostility, which, unfortunately, appears to exist. The westerners, in particular, and all those everywhere interested in good water resource development and good government must make their views known so as to impress upon President Kennedy, Attorney General Kennedy, Secretary Udall, and the rest of the President's advisers on this legislation, that this is an important matter and that it should be treated in the

manner you and I, and others familiar with water development, know it must be treated—by enactment of S. 1275.

I am truly convinced that this time we are securing the necessary support to result in enactment of this vital legislation. Many important groups have already this year passed resolutions endorsing S. 1275, either specifically or by virtue of the scope of their stated position. Many good people have been working on this, including your own Nevada director and association first vice president, Hugh Shamberger.

We already have resolutions of support from the American Bar Association, the National Association of Counties, the National Association of Attorneys General, the Western Association of Attorneys General, and various State and local governments and associations of which I am aware. There may well be some national organizations which have expressed their support and which I do not personally know of at this time—the resolutions are coming in thick and fast from all around.

You probably noticed that I did not mention the National Reclamation Association. This is because you have not yet passed a resolution since introduction of S. 1275, though you did pass one on the subject of water rights last year.

I hope that during this convention you will adopt a clear-cut resolution putting the full, unqualified support of this important group behind S. 1275.

As I said, the course necessary to help the cause of water resource development and good government is clear. Other groups are doing their part to help. I hope the Kennedy administration will not stand in the way. I hope you will lend your voices to the cause.

Thank you very much.

RACIAL DISCRIMINATION

Mr. JAVITS. Mr. President, yesterday the Social Committee of the United Nations General Assembly adopted a very broad declaration on racial prejudice which is of great interest to the people of the United States. I ask unanimous consent that the declaration may be printed in the *RECORD* at this point in my remarks.

There being no objection, the declaration was ordered to be printed in the *RECORD*, as follows:

DECLARATION BY U.N. ON RACIAL PREJUDICE

The General Assembly,

Considering that the Charter of the United Nations is based on the principles of the dignity and equality of all human beings and seeks, among other basic objectives, to achieve international cooperation in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction, as to race, sex, language or religion,

Considering that the Universal Declaration of Human Rights proclaims that all human beings are born free and equal in dignity and rights and that everyone is entitled to all the rights and freedoms set out in the declaration, without distinction of any kind, in particular race, color or national origin,

Considering that the Universal Declaration of Human Rights proclaims further that all are equal before the law and are entitled without any discrimination to equal protection against any discrimination and against any incitement to such discrimination,

Considering that the United Nations has condemned colonialism, and all practices of segregation and discrimination associated therewith, and that the declaration on the

granting of independence to colonial countries and peoples proclaims in particular the necessity of bringing it to a speedy and unconditional end.

Considering that any doctrine of racial differentiation or superiority is scientifically false, morally condemnable, socially unjust and dangerous, and that there is no justification for racial discrimination either in theory or in practice,

Taking into account the other resolutions adopted by the General Assembly and the international instruments adopted by the specialized agencies, especially the International Labor Organization and the United Nations Educational, Scientific and Cultural Organization, in the field of discrimination,

Taking into account the fact that, although international action and efforts made in a number of countries have made it possible to achieve progress in that field, discrimination based on race, color, or ethnic origin in certain areas of the world nonetheless continues to give cause for serious concern,

Alarmed by the manifestations of racial discrimination still in evidence in some areas of the world, some of which are imposed by certain governments by means of legislative, administrative, or other measures, in the form *inter alia*, of apartheid, segregation and separation, as well as by the promotion and dissemination of doctrines of racial superiority and expansionism in certain areas,

Convinced that all forms of racial discrimination, and still more so governmental policies based on the prejudice of racial superiority or on racial hatred, besides constituting a violation of fundamental human rights, tend to jeopardize friendly relations among peoples, cooperation between nations and international peace and security,

Convinced also that racial discrimination harms not only those who are its objects but also those who practice it,

Convinced further that the building of a world society free from all forms of racial segregation and discrimination, factors which create hatred and division among men, is one of the fundamental objectives of the United Nations,

Solemnly affirms the necessity of speedily eliminating racial discrimination throughout the world and in all its forms and manifestations and of securing understanding of and respect for the dignity of the human person,

Solemnly affirms the necessity of adopting national and international measures to that end, including teaching, education and information, in order to secure the universal and effective recognition and observance of the principles set forth below, and

Proclaims this declaration:

ARTICLE 1

Discrimination between human beings on the grounds of race, color or ethnic origin is an offense to human dignity and shall be condemned as a denial of the principles of the Charter of the United Nations, as a violation of the human rights and fundamental freedoms proclaimed in the Universal Declaration of Human Rights, as an obstacle to friendly and peaceful relations among nations and as a fact capable of disturbing peace and security among peoples.

ARTICLE 2

1. No state, institution, group or individual shall make any discrimination whatsoever in matters of human rights and fundamental freedoms in the treatment of persons, groups of persons or institutions on the grounds of race, color or ethnic origin.

2. No state shall encourage, advocate, or lend its support, through police action or otherwise, to any discrimination based on race, color or ethnic origin by any group, institution, or individual.

3. Special concrete measures shall be taken in appropriate circumstances in order to se-

cure adequate development or protection of individuals belonging to certain racial groups with the object of insuring the full enjoyment by such individuals of human rights and fundamental freedoms. These measures shall in no circumstance have as a consequence the maintenance of unequal or separate rights for different racial groups.

ARTICLE 3

1. Particular efforts shall be made to prevent discrimination based on race, color or ethnic origin, especially in the fields of civil rights, access to citizenship, education, religion, employment, occupation and housing.

2. Everyone shall have equal access to any place or facility intended for use by the general public, without distinction as to race, color or ethnic origin.

ARTICLE 4

All states shall take effective measures to revise governmental and other public policies and to rescind laws and regulations which have the effect of creating and perpetuating racial discrimination wherever it still exists. They should pass legislation for prohibiting such discrimination and should take all appropriate measures to combat those prejudices which lead to racial discrimination.

ARTICLE 5

An end shall be put without delay to governmental and other public policies of racial segregation and especially policies of apartheid as well as all forms of racial discrimination and separation resulting from such policies.

ARTICLE 6

No discrimination by reason of race, color, or ethnic origin shall be admitted in the enjoyment by any person of political and citizenship rights in his country, in particular the right to participate in elections through universal and equal suffrage and to take part in the government. Everyone has the right of equal access to public service in his country.

ARTICLE 7

1. Everyone has the right to equality before the law and to equal justice under the law. Everyone, without distinction as to race, color, or ethnic origin, has the right to security of person and protection by the state against violence or bodily harm, whether inflicted by government officials, or by individual, group, or institution.

2. Everyone shall have the right to an effective protection and remedy against any discrimination he may suffer on the ground of race, color or ethnic origin with respect to his fundamental rights and freedoms through independent national tribunals competent to deal with such matters.

ARTICLE 8

All effective steps shall be taken immediately in the fields of teaching, education, and information, with a view to eliminating racial discrimination and prejudice and promoting understanding, tolerance and friendship among nations and racial groups, as well as to propagating the purposes and principles of the Charter of the United Nations, of the Universal Declaration of Human Rights, and of the declaration on the granting of independence to colonial countries and peoples.

ARTICLE 9

1. All propaganda and organizations based on ideas or theories of the superiority of one race or group of persons of one color or ethnic origin, with a view to justifying or promoting racial discrimination in any form, shall be severely condemned.

2. All incitement to, or acts of violence, whether by individuals or organizations, against any race or group of persons of another color or ethnic origin shall be considered an offense against society and punishable under law.

3. In order to put into effect the purposes and principles of this declaration, all states shall take immediate and positive measures including legislative and other measures to prosecute and or outlaw organizations which promote racial discrimination or incite to or use violence for the purpose of discrimination based on race, color or ethnic origin.

ARTICLE 10

The United Nations, the specialized agencies, states and nongovernmental organizations shall do all in their power to promote energetic action which, by combining legal and other practical measures, will make possible the abolition of all forms of racial discrimination. They shall, in particular, study the causes of such discrimination with a view to recommending appropriate and effective measures to combat and eliminate it.

ARTICLE 11

Every state shall promote respect for and observance of human rights and fundamental freedoms in accordance with the Charter of the United Nations, and shall fully and faithfully observe the provisions of the present declaration, the Universal Declaration of Human Rights and the declaration on the granting of independence to colonial countries and peoples.

Mr. JAVITS. Mr. President, the declaration was adopted by a vote of 89 to 0, with 17 abstentions. One of the countries which abstained was the United States. The reason for the U.S. abstention was a provision in the declaration which may possibly present problems under the Constitution because it called upon the member states to pass legislation that would "outlaw" organizations which may be advocating racial discrimination or segregation. This presents a question for us under the Constitution of the United States and the right of free speech under the first amendment.

I have little doubt that we can deal with this issue when an opportunity comes to do so again in the General Assembly. I hope very much that, by making the necessary reservations as to the constitutional protections of the United States, or by other appropriate means which can be presented by our representative at the U.N., Gov. Adlai Stevenson, the United States will find it possible to join in this declaration. It is important that we do so.

First, the U.N. declaration affirms the basic human values of the charter.

Second—and very importantly—it lines up the whole world in a declaration against discrimination and segregation which is international in scope and demonstrates to the whole world that not only does the United States suffer from manifestations of this character, which affect particularly American Negroes, but that other nations have similar problems, and that the world is cognizant of them, and is now about to take a role in helping individual nations meet the problems.

I am particularly impressed with two of the declarations in this master declaration.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may have 3 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. The declarations are, first:

Convinced also that racial discrimination harms not only those who are its objects but those who practice it,

Another declaration is:

Convinced further that the building of a world society free from all forms of racial segregation and discrimination, factors which create hatred and division among men, is one of the fundamental objectives of the United Nations,

I think all mankind will applaud this declaration and its quality. I would feel deeply disappointed if the United States did not find a way to join in it, as I am confident it represents the overwhelming opinion of the people of this country, both as respects manifestations of segregation and discrimination in the United States and as respects our feeling that such discrimination and segregation should be eliminated, wherever else it may be, notably in connection with the policy of apartheid in the Union of South Africa, which is unjust for so many millions of persons there, and which endangers the peace and security of that great continent.

I am confident this can be done by appropriate reservation, in view of the legal problems which it presents to our delegation at the U.N., but I rise today to call attention to the importance of the declaration and to emphasize the fact that it is not only meaningful to point out that there is a great problem in the world and that segregation and discrimination on an international scale are one of the great problems of mankind, but that the United Nations is now trying to take a hand in an effort to solve them. This is to the good.

It represents my ardent desire—and I think it represents the desire on the part of the overwhelming majority of the American people; certainly the people in my State—that the United States should not refrain from being a party to the declaration, but that it should join in it, as can be done by appropriate reservation, at the time the vote is cast, to save itself from any implication that the constitutional mandate is being compromised.

That could not be done, anyway, under our law. The Constitution cannot be set aside by a treaty or declaration. In this case, the declaration is not a treaty. But I think we should make the necessary reservations and not fail to align ourselves with a movement of such great importance to mankind and to the conscience of our country.

I ask unanimous consent that an article from the New York Times on this subject may be printed in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.N. UNIT ADOPTS APPEAL TO ERASE RACE PREJUDICE—UNITED STATES AND 16 OTHERS ABSTAIN, FEARING CURB ON FREEDOMS—AMENDMENT SOUGHT

(By David Anderson)

UNITED NATIONS, N.Y., October 28.—A declaration against all forms of racial discrimi-

nation was adopted by the General Assembly's Social Committee here today. The vote was 89 to 0, with 17 abstentions.

The countries that withheld endorsement of the motion—Western Europeans, the British Commonwealth, and the United States—explained that they did so because the declaration threatened certain freedoms in its desire to stamp out race bias. In particular they opposed a provision that calls on all nations to outlaw organizations that "promote" racial discrimination.

"The purposes and principles of the declaration have our wholehearted support, as we have made clear time and time again," said Mrs. Jane Warner Dick of the United States. However, she continued, wording in the text upset a carefully worked out compromise by Asian, African, and Latin American delegations.

INCITEMENT IS FEARED

"Our legal and constitutional system has maintained a distinction between the mere expression of opinion and the voicing of statements likely to lead to crime or violence," she added.

A dozen speakers echoed this belief that the declaration trespassed on their countries' constitutional provisions.

While the size of the vote for the declaration made its adoption by the General Assembly a certainty, a move will be made to amend the one passage that the United States and the others cannot accept. The purpose would be to obtain unanimous approval.

Mrs. Dick said the United States was "confident that some basis can be found that will make it possible for this declaration to receive the overwhelming support it deserves." H. P. L. Attlee of Britain said it was still possible to improve the text at a later stage.

The Soviet bloc is expected to fight any amendment and a majority of member states may be content to let well enough alone. As one African delegate observed: "Free speech can go too far."

The declaration covers every aspect of racial discrimination that delegates from 111 nations could conceive possible. Its articles open with condemnation of any offense to human dignity and move on to outline what a state may not do, such as "encourage, advocate, or lend its support, through police action or otherwise, to any discrimination."

Civil rights, religion, jobs, and housing would be protected from bias of any kind. The policies, laws, and regulations of a country would be open to scrutiny if a nation abided by the declaration. Special reference is made to apartheid, as in South Africa, as something to be eliminated.

Guarantees of racial freedom in matters of civil service employment, the holding of public office, and voting were written into the declaration, as were such areas as teaching, education, and public information. A need for independent courts to hear racial cases is mentioned, along with the right to absolute equality before the law.

PROPAGANDA AIMS BARRED

The most controversial passages of the document deal with instruments or groups for propaganda and incitement of racial discrimination.

In conclusion, all member states and the United Nations itself are called upon to promote energetic action against racial intolerance and to foster respect for human rights, particularly as set forth in the declaration.

Much trouble was experienced in drafting the declaration. Debate on its provisions dragged on over 25 meetings, in the course of which 81 amendments or revisions were discussed. The dominant wish of the delegates was to strengthen a provisional text submitted by the Commission on Human Rights.

This came as no surprise since the Commission's approach was considered to be one reflecting its composition: of 21 member nations, only one, Liberia, was African and three—Afghanistan, India, and the Philippines—Asian.

Early in debate fear was expressed by the United States and Western European countries that the drive to abolish racial bias might get out of hand.

U.S. RELUCTANCE SHOWN

For example, it was felt that other freedoms, those of association and expression, were endangered. The question came to a focus in the hotly contested article 9, dealing with measures a government is expected to take against discrimination.

The United States reluctantly agreed to the outlawing of organizations that incite to or use violence for the purpose of racial discrimination. But then trouble developed. Byelorussia introduced an amendment whereby groups merely promoting bias would likewise be outlawed and this was unacceptable to a number of delegations, including the United States.

It was to rearm this position that the United States abstained today and will attempt to have the text restored when it comes before the full Assembly for final action.

Western delegates have been disturbed by other aspects of the debate. It was argued that confusion had arisen between a declaration and a convention.

A declaration should concern itself with general principles and moral precepts to guide the conduct and behavior of nations, it was reasoned. A convention, due to be drafted next year, is to detail specific legal objections and impose sanctions. Yet the present declaration includes such detail.

REPRESSIVE IDEAS FOUGHT

The search for strong language by the Africans and Asians opened the way for the Communist bloc to inject concepts that were discarded only after long wrangling sessions. Among these were passages terming racial discrimination a threat to peace, neo-Fascist, and punishable under criminal law.

The United States led in the fight against every approach of this kind. "We do not believe it is necessary to restrict freedom for the expression of ideas, even ideas we loathe, in order to overcome discrimination," Mrs. Dick told the committee.

Adlai E. Stevenson, Chief U.S. Delegate, virtually assured the committee at the start of the debate that this country would support the declaration.

"We would not risk leaving the impression that we place anything but the highest priority on the fight against discrimination everywhere," he said.

Yet it now appears that the declaration, as it stands, would violate the U.S. Constitution.

Dr. Bonifacio de Miranda of Portugal noted that he had supported the declaration although abstaining in earlier voting. The reason, he explained, lay in Portugal's interest in abolishing discrimination in whatever form.

"We are pioneers in antiracism, the original multiracial society," he said.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—PROPOSAL BY SENATOR MORSE

Mr. HUMPHREY. Mr. President, on the date of Wednesday, October 16, there appeared in the St. Louis Post-Dispatch an excellent editorial relating to a proposal offered by the Senator from Oregon [Mr. MORSE] to the foreign aid bill. This amendment was discussed yesterday by the Senator from Oregon. In-

deed, it was discussed in the committee. It relates to the concern that has been expressed on the Senate floor on several occasions by Members of this body concerning the plethora of military coups in Latin American countries and what these do to our foreign relations, our programs in Latin America, and our foreign aid program.

As Senators may recall, the Senator from Oregon had suggested that Alliance for Progress loans and grants be denied any country "in which the government has come to power through the forcible overthrow of a prior government which had been chosen in free and democratic elections."

The purpose of the amendment was to exercise some discipline on the part of the United States in the use of our resources in countries in Latin America and elsewhere where military coups were undertaken and where juntas were in power at the expense of constitutional government and free elections.

The editorial is appropriate for this debate. I was aware of the editorial, and asked the distinguished Senator from Oregon if he would mind if I placed the editorial in the RECORD, because I believe the amendment merits our favorable consideration, and I want to go on record as so indicating.

I shall attempt to work with some of my colleagues in the Senate to see to it that the foreign aid bill is strengthened along the lines that have been suggested by the Senator from Oregon.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. That was also the position of the Senator from Minnesota in committee.

Mr. HUMPHREY. The Senator is correct.

Mr. MORSE. There was no formal vote with regard to the final language of the amendment, but I want the Senator to know I appreciate very much his putting the editorial in the RECORD. I consider it an honor. The Senator from Minnesota and I may have some differences with respect to certain aspects of the foreign aid bill, but we do not have any differences on objectives. We seek, to the best of our sights, to strengthen our country in its foreign relations in connection with adoption of a foreign aid program that will strengthen our country's security.

In the debate which is taking place—and it is to be not only a historic debate, but a vigorous debate—many Senators who are not participating in the debate are going to jump to a false conclusion that there are important differences of opinion among Senators who may differ with respect to certain sections of the bill. To the contrary, we have a common interest in trying to accomplish what we want done, namely, the development of a foreign aid program that will best help the cause of freedom around the world.

The Senator from Minnesota and other Senators who are joining the Senator from Oregon in opposition in respect to certain aspects of the bill are not against foreign aid; we are for foreign

aid. That is why we have to be against the bill as presently written.

Mr. GRUENING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I yield to the Senator from Alaska.

Mr. GRUENING. I should like to associate myself with the remarks of the distinguished majority whip [Mr. HUMPHREY] and those of the distinguished Senator from Oregon [Mr. MORSE].

I would like to see foreign aid improved so that it can be effective. I am not opposed to foreign aid. I read with considerable interest and approval the numerous pertinent criticisms that were made in the report of the Committee on Foreign Relations, of which the two Senators, the Senator from Oregon and the Senator from Minnesota, are members. My amazement was compounded when I noted that following these valid criticisms, no appropriate recommendations for action were included in the report. If the criticisms are justified—and I believe them to be both valid, and pertinent—they should have been followed with appropriate recommendations to eliminate the appropriations that make such abuses possible.

Later in the day I shall make a speech on this subject, in which I shall point out how foreign aid can be substantially improved and made more effective by implementing some of the criticisms of the Foreign Relations Committee.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that at this point in our discussion the full text of the editorial to which I have referred be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WARNING TO PLOTTERS

Senator Morse's proposed amendment to the foreign bill, now before the Senate Foreign Relations Committee, reflects this country's growing concern over the trend toward military regimes in Latin America. In the last 18 months elected governments were overthrown in Argentina, Peru, Guatemala, Ecuador, the Dominican Republic, and Honduras. The military was the vital factor in each case, though civilian regimes have resumed control in Argentina and Peru.

So Senator Morse suggests that Alliance for Progress loans and grants be denied any country "in which the government has come to power through the forcible overthrow of a prior government which had been chosen in free and democratic elections." The amendment is aimed particularly at the Dominican Republic and Honduras, where military coups occurred within the last month, but, as written, would also apply to Guatemala and Ecuador.

The State Department is opposing the inclusion of the latter two countries on the ground that the United States has already recognized the new governments and should not terminate the continuing aid programs. The situation with regard to the Dominican Republic and Honduras is different. Last October 4 the United States suspended aid and diplomatic relations and ordered with-

drawal of economic and military assistance missions.

Senator Morse's proposal puts additional emphasis behind the new policy, but we do not think it should be made retroactive. Also, it may be found that it does not grant the President sufficient flexibility. He could not resume Alliance aid, for example, even if he determined that in a specific case it was in the national interest. The President would, however, retain discretion in the extension of various forms of support not in the Alliance program.

There may be defects in Mr. Morse's proposal as it stands, but it aims in the right direction. Other Latin American countries remain under the threat of military coups, and if more fall the entire basis of the Alliance will be undermined. The premise of the Alliance is that the best hope for Latin America is economic reform under democratic rule and with the help of the United States. We cannot afford to let military dictators pervert the program.

There is no question that the objectives of the Alliance can be attained only with the greatest difficulty. But they are sound, and they raise the hope of a better life for the impoverished people. That is why Alliance aid was made contingent on such reforms as the redistribution of land, more equitable taxes, and more democratic social and political procedures.

In reality the Alliance aims at a middle way. Unstable because of poverty and illiteracy, Latin American countries generally are prime targets for the Communists on the one hand, and for the military, sometimes allied with the old ruling classes, on the other. A successful democratic regime is abhorrent to either extreme; the extremes are, or should be, abhorrent to the United States.

The military is powerful in Latin America because, though not numerous, it usually has the organization and means to determine the course of events; and the Communists have strength because of their easy promises of better living standards. The United States in most instances has no business encouraging the military any more than the Communists. It must continue to seek ways of helping the people; a policy of denying aid to military dictators should cool the ardor of those who may be plotting to overthrow elected governments.

Mr. HUMPHREY. Mr. President, I call particular attention to the fact that the editorial is a very reasoned one. It points out:

In reality the Alliance aims at a middle way. Unstable because of poverty and illiteracy, Latin American countries generally are prime targets for the Communists on the one hand, and for the military, sometimes allied with the old ruling classes, on the other. A successful democratic regime is abhorrent to either extreme; the extremes are, or should be, abhorrent to the United States.

THE SISTER CITY PROGRAM

Mr. BOGGS. Mr. President, I have great admiration for the sister city program which has linked American cities with communities of similar size in friendly countries around the world. The benefits to international good will from this program are incalculable.

I am particularly proud of the affiliation of Dover, the capital of my State, with the city of Lamia, in Greece.

Recently 29 citizens of Dover made a special trip to Lamia, along with Mr. and Mrs. Mark Bortman. Mr. Bortman is chairman of the civic committee of the people-to-people program.

Mayor Crawford J. Carroll, of Dover, was not able to go, and he was represented by F. W. Brittan, who was very active in the original effort to establish the bond between the two cities. Mrs. Brittan accompanied him.

Also making the trip were: Mrs. Richard C. Beckett, Mrs. William Bradford, Mrs. Andy B. Clements, Mrs. J. Norman Cabbage, Mr. and Mrs. Arthur Dobberstein, Mr. and Mrs. Earle J. Duncan, Mr. and Mrs. George Ehinger, Mrs. Lockwood C. Emmert, Mr. and Mrs. William E. Hallett, Mr. and Mrs. Donald K. Harneson, Miss Margaret Hartnett, Mr. and Mrs. Edward S. Hodgson, James D. Lucas, Mr. and Mrs. Wilbur A. Miller, Dr. and Mrs. Maynard H. Mires, Mrs. F. J. O'Neill, Sr., Mrs. Harold J. Rau, and Mr. and Mrs. Lester N. Scharnberg. Arthur Southall of Milton, Mass., and Miss Florence W. Hopkinson of Boston, Mass., were also members of the group.

Mr. Brittan has since written a letter-type report on the trip which he was kind enough to send me, and I ask unanimous consent that it be inserted at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

DEAR SENATOR BOGGS: During the many years you have spent in public office, you have demonstrated your considerable interest in reaching a closer understanding among all the people of the world. Both as their Governor, and now as their Senator, the citizens of Delaware have been fortunate to be represented by a man dedicated to the furtherance of peace.

It was my privilege to have you as an honored guest at a luncheon meeting held to confirm the adoption by Dover of its sister city, Lamia, Greece. As you have continued to show interest in our program, I am taking the liberty to present a report on the recent visit to Lamia by 29 citizens of Dover, accompanied by Mr. and Mrs. Mark Bortman. Mr. Bortman is chairman of the civic committee of the people-to-people program. As Mayor Crawford Carroll was unable to join us, he had requested me to act as his representative.

Upon our arrival at the Athens airport, we were greeted by the president of the chamber of commerce; representatives from the Mayors Union of Greece; the assistant cultural attaché to the U.S. Embassy; correspondents from the Athens papers, as well as the editor of the Lamia daily newspaper; an observer from the London Economist, who remained with our group during our visit to Lamia and later wrote a report which appeared in the London Economist. This was our first taste of Greek hospitality and it was to continue throughout our trip, giving us a preview of the sincerity of feeling which the Greeks have for Americans. In addition to this reception at the airport, bouquets of beautiful roses were presented to Mrs. Brittan and Mrs. Bortman.

Driving from the airport to the hotel in Athens, we had our first and everlasting view of the Acropolis, which dominates this ancient modern city. Waiting for us at the hotel were individual messages of greetings to our group from Mayor Papasiopoulos, of Lamia, and within minutes after we had checked in, Mayor Papasiopoulos telephoned us from Lamia to bid us welcome. This was done even though he spoke no English and had to use the hotel operator to translate his good wishes.

On the following day we traveled by private bus to our sister city Lamia which lies approximately 150 miles northwest of Athens. As we left Athens our guide proudly ad-

vised us that the highway on which we were traveling was built by American generosity through the Marshall plan. Greece remembers with profound gratitude the assistance rendered her by the United States in the years following World War II when Marshall plan aid meant the difference between life and death. During part of the drive we seemed to be surrounded by the stark mountains of Greece, appearing as though the thousands of years had taken their toll of trees and natural growth. Then through areas where olive trees appear to be the only evidence of cultivation, and where farms are few and all members of the family must work incessantly to scratch survival from the barren soil. In these areas there is manifestation of poverty in depth, which for countless generations has been the heritage of the Greek farmer, as the rainfall is insufficient and the soil too rocky to produce a normal crop. His prized possessions are his goats, from which he derives milk and meat and uses the skins for his clothing. Occasionally one sees a donkey, the beast of burden of the ages, laden with twice its weight in fagots and the master riding on top of the pile.

Then suddenly our driver was pointing in the distance to Lamia, and all other matters seemed to become unimportant. There across the flat expanse between the mountains was our sister city which was settled, at least to us, in antiquity itself—460 B.C. As we drew closer, we saw that the town was built around and upon a hill at the top of which stood the ruins of the ancient fort which once held the original town within its walls. A half mile away we were met by motorcycle policemen and our entry to Lamia began to the familiar sounds of police sirens. Thousands of Lamians filled the streets and sidewalks while others stood on balconies and even on the rooftops.

As we stepped from our bus we could hear the people cheering and applauding. We were first greeted by an army general and the colonel of the Lamia police. Then, walking toward us in the middle of the street, appeared Mayor Papasiopoulos and his wife. After embracing the mayor, in the custom of the country, I introduced each member of our group to him and Mrs. Papasiopoulos and we started our walk up the street to the city hall. On both sides Lamians continued to applaud as we passed them, and many broke from the sidewalks to shake our hands and cry, "Welcome." Few Lamians spoke English, but they all had been taught to say the word, "welcome," with which to greet their American visitors. It is quite impossible to describe the feelings of warmth and sincerity emanating from this crowd of well-wishers.

At the city hall the mayor had prepared a buffet featuring a variety of local delicacies, including our first taste of Ouzo, the national aperitif. Present at this luncheon were the chairman and other members of the city council, the administrator of war veterans, the principals of the schools in Lamia, the directress of the girl guides, the director of the Boy Scouts, the chairman of the bar association, the chairman of the hospital and members of his staff, the president of the county medical society, the chairman of the workers center, and many other officials from the area. Each of these wonderful people shook our hands and bid us welcome, and although the language barrier was a problem, there was no question of their sincere desire to reach out to us and make us feel at home. The mayor had planned for members of our group to be housed with local families, during our 3-day visit, and after the buffet we were driven to our designated homes for a brief rest before the ceremonies of affiliation which were to be conducted that evening in Liberty Square.

Shortly before 6 o'clock Lamians began to gather at the entrance to Liberty Square, and by the time we arrived, the square was filled. In addition, every window, balcony and rooftop held others to witness the ceremonies. The colonel of police estimated the crowd to be between 15,000 and 20,000, or almost two-thirds of the population of Lamia. Our group walked between rows of schoolchildren in uniform, rows of girls in native costumes and young men wearing the uniform of the Evzones, the elite regiment of Greek soldiers who wear white skirts and have pompons on their shoes but have fought like wild devils in all their engagements. Here again, the crowd cheered and applauded as we walked to the end of the square, where seats had been placed for our party. Speeches were given by the mayor, the president of the Central Union of Municipalities and Communities of Greece, and the cultural attaché from the U.S. Embassy. Later we were presented with gifts for the city of Dover, and, in turn, we gave the mayor a certificate of honorary citizenship of the State of Delaware. Other members of our party presented the mayor with gifts sent by various Dover civic associations and clubs. Following the presentations, we were entertained by several groups of dancers in native costumes, climaxed by the exciting dances of the Evzones.

After the ceremonies on Liberty Square, I was given the honor of laying a wreath, supplied by our Embassy, at the monument erected in the memory of Anthanasios Diakos, on Diakos Square. This national hero was a Lamian who was finally put to death in 1821 by torture at the hands of the enemy during the war of independence against the Turks. The love and respect which Lamians hold for Diakos became evident during this ceremony. An honor guard of soldiers stood at rigid attention, and for the first time since our arrival, the faces of the crowd lost their smiles as they paid homage to the hero from Lamia. After a minute of silence, the band played the national anthems. It was interesting to note that on the many occasions the national anthems were played, "The Star-Spangled Banner" was always played first in honor of the American visitors.

That evening we were guests at the Lamian Club for a banquet given by more than 100 officials from Lamia and the surrounding communities. The principal speaker was Mr. Panos Iatrides, the general secretary of the Central Union of Municipalities and Communities in Greece. Here again, it is almost impossible to express the wonderful hospitality of our hosts. They succeeded in making each member of our party feel that he was the guest of honor. Following the banquet, we were conducted to the beautiful Municipal Theater for a special performance by the chorus of the municipality of Lamia under the direction of Mr. Aenian who is recognized as one of the most able choral masters in Europe. It should be sufficient to state that this group won second prize last year at the Conservatory of Rome in an international competition, but this fact in the minds of many of us was merely a reduction to written praise of a performance so outstanding as never to be forgotten.

On the second day, we visited Hypati, one of the most renowned health spas located about 18 miles from Lamia. The mineral springs of Greece have been famous from earliest times for their exceptional healing qualities and the springs at Hypati are recommended for the treatment of various skin diseases. These springs originated centuries ago, following a great earthquake. Upon leaving Hypati, we were driven to the ancient Cloister of Damasta, nestled about 4,000 feet above sea level. They are completely self-sufficient, raising their own produce and weaving their own clothes. Carrier pigeons are their only means of communication when the road becomes impassable during the win-

ter months. From the Cloister, we drove to the St. Lucas Club in Lamia for a luncheon given in our honor by the municipality of Lamia. Our hosts included the president of the Rotary Clubs of Greece, the president of the chamber of commerce, the chairman of the bar association, newspaper publishers, and the chairmen of many other organizations in the area. Most of these leading citizens gave a welcome speech and later each of our group was presented with a package made up of many local products and delicacies.

The afternoon was spent visiting the town, the schools, the hospitals, and the orphanage. Dr. Maynard Mires of our party, who is deputy director of the Delaware Board of Health, reported very favorably on the conditions of the general hospital, the tuberculosis sanitarium, the health center, and the malaria control station. All the equipment in the sanitarium was furnished through Marshall plan funds. Tuberculosis is still a serious problem in Greece and Dr. Mires told us of the outspoken appreciation of the doctors for this gift from America. Incidentally, Mayor Papasiopoulos is the chief surgeon at the Lamia General Hospital and his wife is a microbiologist.

That evening we returned to the Municipal Theater for a performance, by the famous national stage group of northern Greece, of the premiere of a new Greek tragedy "The Island of Aphrodite." It may be hard to believe that, although the play was presented in Greek, the excellence of the performance was such that we were able to follow its meaning without difficulty.

On the morning of our last day, we paused near the famous pass of Thermopylae where in 480 B.C., Leonidas, King of Sparta, and 300 Spartan soldiers held off an army of 3,000 Persians.

Our farewell luncheon was given at another spa, Kammena Vourla, and we learned that many of the dignitaries attending had traveled upwards of 50 miles to join us. The outstanding qualities and enormous quantities of food and wines could not dispel the sadness of departure. Although our memories of the past few days were bright, most of us found it difficult to hide our emotions at leaving these delightful people. As our bus drove down the highway, we could see our friends waving until we were out of sight.

Since our return, the relations between Dover and Lamia have continued to grow. Almost every day communications go out from school children, professionals, clubs, and civic organizations to their counterparts in Lamia, and it is hoped that a group of Lamians headed by Mayor Papasiopoulos will visit Dover in the spring of 1964.

I hope, Senator Boggs, that this report may serve as firsthand evidence of a successful venture in bringing together the people of two towns even though they are from different nationalities, speak a different language and are thousands of miles apart.

Very truly yours,

F. W. BRITTAN.

FOREIGN AID TO BOLIVIA

Mr. GOLDWATER. Mr. President, recently I was critical of the results of foreign aid in the case of Bolivia. President Victor Paz Estenssoro retorted that I should be more certain of my facts, before criticizing what has taken place in his country under our foreign-aid program. I agree with President Paz. In order that my colleagues and others who read the CONGRESSIONAL RECORD may better understand the reasons for my comments on Bolivia, I ask unanimous con-

sent that chapter 8 of the book, "The New Argument in Economics," published by Van Nostrand and written by William Stokes, be inserted in the RECORD at the close of my remarks.

The author of this particular chapter, entitled "The Contraproducente Consequences of the Foreign-Aid Program in Bolivia," is Dr. William S. Stokes, senior professor of comparative political institutions at Claremont Men's College and the Claremont Graduate School. He was chairman of the Latin American Affairs Committee of the American Political Science Association and has conducted research in all the Latin American countries, leading to over 200 publications in English, Spanish, and Portuguese. Before accepting an endowed chair at Claremont Men's College, he was professor of political science at the University of Wisconsin. Dr. Stokes has lectured at many Latin American institutions of higher learning. His books are: "Honduras: An Area Study in Government," 1950; and "Latin American Politics," 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE "CONTRAPRODUENTE" CONSEQUENCES OF THE FOREIGN AID PROGRAM IN BOLIVIA

(By William S. Stokes)

INTRODUCTION

In a letter to President Victor Paz Estenssoro of Bolivia (released May 14, 1961, in the United States and May 17 in La Paz, Bolivia), President Kennedy declared that the United States was now ready to assist Bolivia in a long-range economic program to achieve higher standards of living, economic progress, and social justice. President Kennedy promised loans and grants for the state tin and oil enterprises, roads, surplus agricultural products, an airport, and a sugar mill (totaling \$50 million, including the West German credits), with other projects, such as low-cost worker and farmer housing to be undertaken as soon as the planning and programming could be completed.

In the last paragraph, President Kennedy said: "This great revolution has blazed a path for others to follow." In the official translation of the letter in Bolivia, the sentence reads: "This great revolution has opened the road for other countries to follow." In the headlines to the letter as it was published in the official newspaper of Bolivia is the phrase: "Kennedy Eulogizes the National Revolution."

Is this a "great revolution"? Has it "blazed a path for others to follow"? Should the President "eulogize" it? Is it worthy of long-range foreign aid?

Bolivia has already been the recipient of aid from the United States (from July 1, 1945, through June 30, 1960, a total of \$191,200,000 in mutual security and economic program aid; \$191,700,000 if military aid is included).¹ President Kennedy has determined that the country should receive more, and apparently he and his distinguished advisers are convinced that the Revolución Nacional is a model for other Latin Ameri-

can countries to follow. It therefore seems legitimate for the scholar and citizen to examine the nature of the Revolución Nacional and the aid it has received from the United States preliminary to a determination of the consequences of the President's "strong leadership" and "bold, imaginative program."

THE IDEOLOGY AND POLITICS OF THE GREAT REVOLUTION

I have described elsewhere the origin of the Movimiento Nacionalista Revolucionario or MNR.² In association with a military lodge, the MNR seized power by force on December 20, 1943. The civilian-military oligarchy proceeded to govern by terror. At least 11 outstanding Bolivians were murdered in the period November 20-25, 1944, alone. The assassinations, tortures, and official thievery became so universally known that Sumner Welles said that the Government had " * * * turned Bolivia into an immense concentration camp" and, "torture and assassination were daily occurrences."³

Led by professors and university students, urban masses exploded into a direct, frontal assault on the centers of dictatorial power in La Paz in July 1946. When they burst into the governmental palace and finally found President Gualberto Villarroel hiding in a closet (armario), they shot him in the chest, and pushed his body out on one of the balconies that front on Ayacucho Street. From there they threw him to the mob below, which finished him off and hung his remains to a lamppost.⁴

Those leaders of the MNR who escaped began immediately to plan their return to power. In August 1949 they initiated such mass violence that it probably could be said that a state of civil war prevailed in the country. The army suppressed the uprising in 3 weeks of fighting. The next attempt, which was successful, was a 2-day attack on La Paz, the center of political power. The fighting from April 9-11, 1952, was fierce. A two-column analysis of the violence, published in *El Mercurio* of Santiago, Chile, on April 11, 1958, asserted that at least 5,000 lives were lost.

The original ideology of the MNR was basically Marxist-Leninist, although it was revisionist in not contemplating immediate affiliation with international communism. Theorists such as Walter Guevara Arze and José Felman Velarde accepted historical materialism and the class struggle as central parts of their thinking. Ideally, the exploited masses should destroy the bourgeoisie and establish an economic system of socialism and a political system of dictatorship of the proletariat (people's democracy). The theorists argued, however, that Bolivia was obliged to import a third of its food and obtain foreign exchange by marketing minerals in other countries. Whether Bolivia could have socialism, therefore, depended upon whether socialism first succeeded in the large countries. A further difficulty was that class consciousness was not sufficiently developed among the Indians and mestizos to permit dictatorship of the proletariat at once. If Bolivia could not have socialism and dictatorship of the proletariat immediately, what could and should it have? The MNR theorists answered, *revolución nacional*. "The *revolución nacional*," Dr. Guevara Arze asserted, "does not deny the class struggle but is not based upon it." He added that later, depending upon the world development of

¹ Office of the White House Press Secretary, for release to a.m. papers, Sunday, May 14, 1961, Monday, May 15, 1961.

² *La Nación* (La Paz, 7 de mayo de 1961).

³ International Cooperation Administration, Office of Statistics and Reports, United States Foreign Assistance and Assistance from International Organizations (Mar. 31, 1961), p. 60.

⁴ William S. Stokes, "The Revolución Nacional and the MNR in Bolivia," *Inter-American Economic Affairs* (spring, 1959), pp. 28-30.

⁵ New York Herald Tribune (July 31, 1946).

⁶ For details and documentation of this episode, see Stokes, op. cit., pp. 30-32.

socialism, Bolivia could base a revolution on the class struggle.⁷

The original program of the MNR included: Opposition to Judaism and liberal democracy; prohibition of foreign capital in the media of communication; prohibition of the use of foreigners in command posts in the army; registration and control of all foreign employees in the country; absolute prohibition of the immigration of Jews; abolition of the "great private monopolies"; State control of commercial activities; nationalization of public services; class warfare through a union (alianza de clases) of the proletariat, peasants, and the middle classes against the "antinational superstate" (usually called the rosca) and its servants; and public education and social welfare directed by the State along political and nationalistic lines.⁸

Fellman Velarde, who was Minister of Education in 1961, described the programmatic objectives of the MNR in this way: " * * * it is necessary to eliminate imperialism and the great bourgeoisie that serves as its agent, returning to Bolivia the exploitation of its mines, redistributing the land, and diversifying the economy by means of the creation of new sources of wealth." ⁹

The men who affixed their signatures to the act establishing the MNR were: Augusto Céspedes, Carlos Montenegro, Victor Paz Estenssoro, Hernán Siles Zuazo, Walter Guevara Arze, and José Cuadros Quiroga. In addition, there were eight other leaders who aided significantly in the campaign for power that followed.¹⁰ Most of the original founders and their principal supporters have published works that expose their views. Although Marxist-Leninist conceptions are important in almost all cases, it must be emphasized that the MNR sought nationalistic applications of Communist formulas. Both Montenegro and Céspedes, for example, assert again and again that the MNR managed the data of historical materialism better than the scientific Marxists. By this they meant that the reality of Bolivia negated the possibilities of a successful class revolution. They therefore opposed the native Marxist activists and the trained members of the international apparatus who wished to impose

the revealed truth of Marxism-Leninism on Bolivia in orthodox Communist fashion.¹¹

A major work of Hernán Siles Zuazo published in 1954 revealed intellectual affiliation with Marxism,¹² but in his address to Congress in 1958, President Siles Zuazo repudiated class dictatorship, criticized the Communists, and associated himself with "Christian democracy."¹³ Even Siles Salinas (who insists that President Paz Estenssoro clearly is a Marxist) asserts that Siles Zuazo is not a dogmatic Marxist.¹⁴ A Congressman concerned with Latin American affairs told me in Washington in July 1961, the Secretary of State Dean Rusk had assured him that President Victor Paz Estenssoro is not a Marxist. On the basis of the books, documents, and interviews available to me, I must conclude that President Paz Estenssoro is a revisionist Marxist-Leninist, whose policies have encouraged communism in Bolivia.

There is less disagreement as to the Marxist orientation of the leaders of the great labor unions, such as Juan Lechin, Vice President of Bolivia and head of both the Central de Trabajadores de Bolivia and the Confederación Minera de Bolivia, and Mario Torres Calleja, Secretary General of the Federación Sindical de Trabajadores Mineros de Bolivia or FSTMB. Stalinists and Trotskyites drew up the famous Tesis de Pulacayo (approved on May 18, 1946), which was adopted as the Programa de Principios of the FSTMB. The essence of the Tesis de Pulacayo was a commitment of the miners to subordinate temporary possibilities of economic gain to the greater task of achieving the proletarian revolution. The specific provisions of the Tesis and the Programa paralleled almost exactly the reforms of the MNR after the seizure of power in 1952. When Lechin arrived at Huanuni on May 7, 1961, after a trip to the United States to discuss foreign aid, he made a 20-minute speech to union members to the effect that his visit to the heartland of imperialism did not mean a giveaway (entreguismo) or betrayal of the working class. He told his audience that they must be prepared to zigzag if they expected to achieve their objectives, and on this point he reminded them that even Stalin made a temporary alliance with Hitler as a part of his long-term strategy.¹⁵

Perhaps the most important single source of information as to the ideological orientation of the MNR at the present time is the program of government for 1960-64. The program was drafted for the purpose, among other things, of persuading the United States to part with even larger amounts of foreign aid. Nevertheless, the program defends the politically unilateral and economically un-

successful "reforms" achieved since 1952, some of which were contained in or alluded to in the first program, already discussed. In addition, the part that deals with the nature of the state and the role of law and certain institutions, such as the armed forces and the police, is clearly Marxist-Leninist. According to MNR, the state is an instrumentality at the service of the classes that control the means of production. "Legal norms—which are not mere abstractions removed from reality but part of the social phenomenon—reflect the interests of the economically dominant classes and are obligatory upon the members of society. The armed forces constitute the apparatus of force of the state and of the social classes that have public power and are designed to fulfill two principal functions. The first consists of defending the state from its internal enemies. This means defending the groups or social classes that have in their hands the management of the state, as opposed to those social groups with contradictory interests. This constitutes the function of conserving public order * * * and necessarily implies a political identification between the armed forces and the dominant classes."

"In the modern state the police are one of the instruments of coercion of the social classes that possess public power."¹⁶

The government established by President Victor Paz Estenssoro in 1952 could not by any stretch of the imagination be described as democratic. The President and his advisers evidenced from the very beginning a passionate intolerance of the opposition. They arrested a former foreign minister, former minister of economic affairs, former chief justice of the supreme court, leaders of the major political parties, and many other prominent, even distinguished figures. Secret police organized under a bureau known as political control ferreted out the opposition, using unconstitutional methods that rivaled in ferocity those employed by the Nazi and Communist tyrannies. The jails were literally filled with thousands of political prisoners, and President Paz Estenssoro created concentration or "work" camps to accommodate the overflow.

Among such camps were Curahuara de Carangas, near La Paz, and those at Coroico, Catavi, and Uncía.¹⁷ The media of communication were intimidated. President Paz Estenssoro ordered the closing of La Razón in La Paz, a newspaper owned by Carlos Aramayo. In Cochabamba, MNR mobs burned and destroyed the daily Los Tiempos.¹⁸ The leaders (dirigentes) of the MNR arrogated to themselves "super-legal immunities" and acted above constitution, law, or court. It has been alleged that they looted the public treasury and engaged in fiscal irregularities probably without parallel in Bolivia's history. As late as July 1961 it was revealed that about \$1 million, which was supposed to be used to purchase 4,000 tons of lard, had disappeared.¹⁹

¹⁶ Programa de Gobierno. Movimiento Nacionalista Revolucionario. Tercer Gobierno de la Revolución Nacional, 1960-64 (La Paz: E. Burillo, 1960), pp. 113, 115-116, 121.

¹⁷ El Diario (La Paz, 12 de febrero de 1958; 14 de mayo de 1958; 16 de noviembre 1958); El Mercurio (Santiago, 25 de octubre de 1958; 2 de agosto de 1961); La Prensa (Buenos Aires, 13 de julio de 1961); Crónica (Cochabamba, 31 de julio de 1961); Ostría Gutiérrez, op. cit., pp. 205-219.

¹⁸ Última Hora (La Paz, 11 de abril de 1958); Ostría Gutiérrez, op. cit., pp. 137-140; La Nación (Buenos Aires, 11 de marzo de 1958).

¹⁹ Última Hora (28 de julio de 1961); El Diario (La Paz, 18 de diciembre de 1958); Presencia (La Paz, 13 de febrero de 1958).

⁷ Alberto Cornejo S., Programas políticos de Bolivia (Cochabamba, Bolivia: Imprenta Universitaria, 1949), p. 164. See also pp. 159-164, 170-175. Other relevant sources include: Nestor Taboada Terán, Antología de cuentos de la revolución (La Paz: Talleres Gráficos Bolivianos, Publicaciones SPIC, 1954), passim; República de Bolivia, El libro blanco de la independencia económica de Bolivia (La Paz: Subsecretaría Prensa, Informaciones y Cultura, 1952), p. 188; Secretaría Ejecutiva del Comité Político Nacional del MNR, El pensamiento revolucionario de Paz Estenssoro (La Paz: E. Burillo y Cía, 1954), p. 303; Saturnino Rodrigo, Diario de la revolución nacional (La Paz: Librería Editorial "Juventud," 1955), p. 389; Andrés Townsend Ezcurra, "La revolución nacionalista de Bolivia," Humanismo (México, D.F.: No. 1, jul., 1952), pp. 49-50; Alberto Ostría Gutiérrez, The Tragedy of Bolivia (New York: Devin-Adair Company, Inc., 1958), pp. 103-118.

⁸ Cornejo S., op. cit., pp. 147-151. See also Walter Guevara Arze, Plan de política económica de la revolución nacional (La Paz: Ministerio de Exteriores y Culto, 1955), p. 200.

⁹ José Fellman Velarde, Victor Paz Estenssoro: El hombre y la revolución (La Paz: Alfonso Tejerina, 1954), p. 95.

¹⁰ Augusto Céspedes, El dictador suicida (Santiago: Editorial Universitaria, S.A., 1956), p. 245.

¹¹ See Carlos Montenegro, Documentos (La Paz: Imprenta "Nacional," 1954), pp. 50, 52-55, 62-71; Céspedes, op. cit., pp. 246-249.

¹² Hernán Siles Zuazo, "Hacia la planificación de la economía boliviana," Revista de la Facultad de Economía y Finanzas (Aruro, julio-diciembre de 1954), passim.

¹³ Hernán Siles Zuazo, Mensaje al honorable Congreso Nacional, 6 Agosto 1958 (La Paz: Talleres de la Editorial del Estado, 1958), pp. 8, 34, 60, 85, 95, 101.

¹⁴ Jorge Siles Salinas, Lecciones de una revolución (Bolivia: 1952-1959 (Santiago: Editorial Universidad Católica, 1959), pp. 59, 62.

¹⁵ El Diario (La Paz, 8 de mayo de 1961). See also El Mercurio (Santiago, 13 de marzo de 1961); Mario Padilla A., "El Movimiento Nacionalista Revolucionario," Semana (21 de noviembre de 1960); Tesis de Telamayo (La Paz: n.p., 1960), pp. 1, 6; Presencia (La Paz, 30 de mayo de 1961); La Prensa (Buenos Aires, 22 de junio de 1961); Samuel Mendoza, "La situación en Bolivia," El Mercurio (Santiago, 9 de marzo de 1961); El Diario (La Paz, 17 de abril de 1961).

When elections were scheduled for June 1956, with power to be transferred in August, it was obvious to Bolivian and foreign observers that the official candidate, Dr. Hernán Siles Zuazo, Vice President under Paz Estenssoro, would win. All effective political opposition had been suppressed. In addition, the MNR instituted universal suffrage, which meant, in effect, giving the vote to illiterates. Whereas only about 160,000 citizens were eligible to vote in the 1951 elections, approximately 1,200,000 were eligible to cast ballots in 1956.²⁰ To be certain that no embarrassing slips would occur, the government created an ad hoc committee to draft an electoral statute that would guarantee the effectiveness of the "imposición" (rigged election). They gave the illiterate Indians their colored ballots (papeletas de colores), and Dr. Siles Zuazo became President.²¹ Paz Estenssoro departed for England to perform ambassadorial duties but returned to win the 1960 elections and assume the Presidency once more (with former President Siles Zuazo departing for Uruguay to perform ambassadorial chores.)

President Siles Zuazo closed the concentration camps, succeeded (early in July, 1957) in removing some extreme leftwing influence from the cabinet and party leadership, and permitted freer expression of opinion in the press. In addition, the President stated that the thousands of political exiles could return to Bolivia. In fact, however, most requests for the special transit visas (permisos de retorno) were reported to have been denied. Although administrative corruption reached unknown limits, and Siles had to denounce certain members of the previous administration for having enriched themselves at public expense, it is contended that not one person was punished for the operaciones fraudulentas.²²

The MNR endeavored to eliminate the traditional army and to create proletarian armed militias dedicated to the defense of the Revolución Nacional. Juan Lechín, who is credited with having formed the militias, has claimed that the rural people (campesinos) made up fifteen regiments, the miners, 10,000 men, the railroad workers, 2,000, and the factory workers, 3,000. When a union was organized, its leaders immediately asked the government for arms for each man.²³ It was reported late in 1958 that at the last mining congress at Colquiri, the following resolution was adopted: "The militias should be strengthened, their command centralized, and their discipline ought to be based on the most profound class convictions. The Federation of Miners will arm the workers and at the same time provide them with an ideological conception of class. The armament of the proletariat and the peasants is one of the great conquests of our class and especially of the miners. The revolution has no more defense than that of the workers' militias."²⁴ However,

the use of violence for political purposes, instead of protecting person and property, has sometimes failed to serve the MNR. Sometimes the militias have refused to follow orders or have acted contrary to government policy. Therefore, in recent years the MNR has begun to rebuild the professional army. The army is reputed to total about 80,000 soldiers at the present time,²⁵ and in the 1961 budget the Ministry of Defense received 52,700 million bolivianos (with only debt service and education receiving more).²⁶

Although the MNR has always officially repudiated the class revolution and professes to represent an alliance of workers, peasants, and members of the middle class, it is a fact that the MNR's policies have desperately injured the middle class, perhaps even more than the upper class. The Government's policy of inflation, for example, meant that many members of the middle class were compelled to debase their standards. Many intellectuals and trained people left the country. Others abandoned their professions for black-marketing. Those with capital exported it in order to prevent government seizure. The Zondag report declared that inflation " . . . is about to wipe out the small middle class of Bolivia, which . . . is practically the only one that has the necessary education and management ability to give direction to the country."²⁷ Some writers argue that the MNR should have boldly eliminated the latifundistas (large landholders) as a social class in the first place.²⁸ There is little evidence that the MNR has curbed Communist infiltration from 1952 to the present. Indeed, there is demonstration of Communist presence and influence in the cabinet, legislature, court system, police, unions, and education.²⁹ There was enough support in the Chamber of Deputies in 1960 to approve a resolution introduced by Deputy Roncal calling for aid for the Cuban revolution (to defend the Cuban revolution is to defend the Bolivian revolution).³⁰

Since returning to power in 1960, President Paz Estenssoro has reorganized the court system, permitted the Minister of Economy to intervene in the management of the newspaper *El Diario de La Paz*, decreed an estado de sitio (suspension of constitutional guarantees for 90 days beginning June 7), and forced Walter Guevara Arze, chief of the Movimiento Revolucionario Nacional Auténtico, and 31 followers, to flee to Peru. The Congress converted itself into a Constituent Assembly, in a manner that seems clearly unconstitutional, in order to add more than 100 amendments to the organic statute. Some of the amendments purported to give constitutional sanction to previous elections, while others gave the executive authority to effect economic change without approval from the legislature.

Finally, the Communist assault on the Catholic church has intensified class conflict and resulted in the closing of a Catholic radio station.³¹

THE GREAT REVOLUTION AND THE AGRARIAN REFORM

The Zondag mission described traditional agriculture in Bolivia as economically and socially backward and concluded that reform was absolutely necessary.³² The problems were many. Some men owned too much property (latifundismo), and some too little (minifundismo). The 1950 census revealed that 4.5 percent of the rural landowners possessed 70 percent of all private landed property. On the other hand, the small and medium farmers, who made up 90 percent of the rural population, held only 30 percent of the land.³³ The evils of the colonato system, characteristic of the central valley and altiplano (highlands) of Bolivia, have been described by many writers.³⁴

So inefficient was the system of agriculture that large percentages of the foodstuffs domestically consumed had to be imported each year: for 1925-29, 22.3 percent; 1940, 23.9 percent; 1952, 30 percent; 1953, 37.84 percent.³⁵ This situation was unnecessary. Bolivia has literally millions of acres of undeveloped land that studies have proved to be suitable for agricultural, pastoral, and extractive enterprises. For example, the possibilities for cacao and Brazil nuts are great. Bolivia's rubber is high grade and not likely to be replaced by synthetics. The climate and labor conditions in Yungas are favorable to tea growing (of which 155 tons worth \$200,000 were imported in 1953). Pyrethrum, bananas, corn, rice, sugar, yucca, vegetable oils, tobacco, hard fibers, cusi palms for palm oil, honey, turmeric, cotton caranday palm wax, quebracho—all could be produced. Although low, governmentally controlled prices for coffee discourage its production, without such artificial barriers the possibilities were virtually unlimited. Quinna, grown in the Bolivian highlands, is a cereal extremely rich in vitamins and protein content. New varieties of wheat could be grown on the high plains, freeing the valleys for other crops. With an estimated 128 million acres of forest, Bolivia is one of the most richly endowed countries in the world in this resource.³⁶

Instead of concentrating agrarian reform on national lands, the MNR enacted a decree-law on August 2, 1953, which provided for expropriation and distribution of lands that were already in use. The official program of the MNR for 1960-64 describes the agrarian reform as the most transcendental of all its conquests because it liberated more than 2 million campesinos from serflike conditions.³⁷ The boast evokes sympathetic response, but the facts must be explored to determine what the effects of the agrarian reform have been.

There is evidence that the main ideological influence in the drafting of the expropriation decree was Marxist-Trotskyite.³⁸

²⁰ New York Times (June 15, 1956); Ostria Gutiérrez, op. cit., pp. 128-129.

²¹ Última Hora (La Paz, 21 de febrero de 1958). For a defense of the Siles Zuazo administration, see Siles Zuazo, Mensaje al honorable Congreso Nacional, op. cit., pp. 116 and appendices.

²² Última Hora (La Paz, 2 de abril de 1958); El Mercurio (Santiago, 25 de octubre de 1958; 11 de abril de 1958); Última Hora (La Paz, 10 de abril de 1958); La Prensa (Lima, 23 de noviembre de 1958); see also El Diario (La Paz, 16 de noviembre de 1958); Pedro Zilveti Arce, La hora de la verdad (n.p., 1958), pp. 13-16; Ostria Gutiérrez, op. cit., pp. 219-220.

²³ Ercilla (Santiago, 8 de septiembre de 1955); see also Mario Padilla A., "El Movimiento Nacionalista Revolucionario," Semana (Noviembre 21, 1960).

²⁴ Última Hora (La Paz, 20 de octubre de 1958).

²⁵ La Prensa (Buenos Aires, 18 de junio de 1961).

²⁶ El Diario (La Paz, 3 de enero de 1961).

²⁷ Cornelius H. Zondag, Problems in the Economic Development of Bolivia (La Paz: 1956), pp. 24, 42, 156-157.

²⁸ Fausto Beltrán A. and José Fernández B., ¿Dónde va la reforma agraria boliviana? (La Paz: Talleres Gráficos Bolivianos, 1960), pp. 24, 185-186, 215.

²⁹ Guillermo Bedregal, La nacionalización minera y la responsabilidad del sindicalismo (La Paz: n.p., 1959), p. 23; Guillermo Martínez Márquez, "El dilema boliviano," La Prensa (Buenos Aires, 4 de junio de 1961); Crónica (Cochabamba, 19 de junio de 1961); La Prensa (Buenos Aires, 18 de junio de 1961; 22 de junio de 1961; 13 de julio de 1961); La Prensa (Lima, 12 de agosto de 1961); El Mercurio (Santiago, 6 de julio de 1961).

³⁰ El Diario (La Paz, 18 de agosto de 1960).

³¹ La Prensa (Buenos Aires, 16 de diciembre de 1960); Guillermo Martínez Márquez, "Bolivia en 'estado de sitio' otra vez," La Prensa (Buenos Aires, 3 de marzo de 1961); Crónica (Cochabamba, 19 de junio de 1961); La Prensa (Buenos Aires, 18 de junio de 1961; 22 de junio de 1961; 13 de julio de 1961; 13 de agosto de 1961); El Mercurio (Santiago, 12 de agosto de 1961); La Prensa (Lima, 3 de agosto de 1961); El Diario (La Paz, 3 de agosto de 1961).

³² Zondag, op. cit., pp. 78-79.

³³ Beltrán A. and Fernández B., op. cit., p. 18.

³⁴ See Stokes, op. cit., footnote, p. 38.

³⁵ Zondag, op. cit., p. 59.

³⁶ Zondag, op. cit., annex to chap. V., pp. 1-14, 150.

³⁷ Programa de Gobierno, op. cit., p. 41.

³⁸ Stokes, op. cit., pp. 39-40.

According to Article 156, hacendados or latifundistas (large landholders) whose lands are expropriated in whole or in part are to be offered compensation in the form of 2 percent, 25-year agrarian bonds. The value of the land was based on the formula of current tax assessment, which must have been calculated to take private property virtually without compensation. The vicious inflation that the MNR initiated further eroded the worth of the bonds. Article 160 provides that the beneficiaries of the land program can pay for the land on the same terms—price according to tax assessment, 25 years for amortization, 2-percent interest. Article 162 sets up a National Service of Agrarian Reform headed by the President. Article 164 gives the President supreme authority over the entire administrative system including in (sec. d) the final decision, without judicial appeal, on all concessions of titles to land. The agrarian law, therefore, provides for a centralized system of administration without checks or controls on the executive. The President is authorized to appoint whomever he chooses to administer the program, and he himself has the final vote. As I wrote in 1959, "This kind of unlimited, unchecked authority invites arbitrary action and abuse."³⁰ Let us see how the scheme has worked.

As soon as the decree was signed on August 2, 1953, many Indians seized land militarily. They took and used whatever they found, including about \$15 million worth of cattle, many of which were prize breeding stock. Although the haciendas (large farms) had been supplying the cities with food, the people who seized or received land proceeded to grow food for themselves alone. The reason for this was that the prices the Bolivian Government offered the farmers for their produce were too low. When there were surpluses, the farmers smuggled their livestock, corn, rice, and other products into neighboring countries where they could sell at a profit. Bolivia, the home of the potato, was compelled to import this food from Argentina. Thus, the initial result of the agrarian reform was famine in the cities, which the United States was called upon to alleviate. However, about one-third of the food supplied by the United States was smuggled out of the country, and much of the rest went into black markets. Little reached the consumers who needed it most, although they waited hours in lines (colas) to get it. In December 1956 prices of U.S. food were raised from their formerly artificially low points of 10 to 20 percent of cost to market levels. Price controls were abolished. These actions encouraged local production to some extent.³¹

The National Service of Agrarian Reform was characterized by dishonesty, ignorance, and negligence. The local administration—called *juntas rurales*—produced anarchy and insecurity in the countryside. Trips to acquire data to implement the reform became expeditions of pillage. Aside from gifts in kind, the members of the *juntas* collected fees from the Indians they were supposed to benefit. A law of December 22, 1956, replaced the *juntas* by a new administrative system, but the results were no better. The new appointees, like the old, demanded food, drink, gifts, and fees for their labor. In many instances, the owner was not present at the time his property was investigated, but the officials proceeded to sign the form declaring that the proprietor had ceded his property to the Indians freely and volun-

tarily. It usually took several months to conclude the preliminary part of the paperwork. When the documents were transferred to higher authority, they entered a long winter sleep, although awakened promptly by gifts.

From the National Service of Agrarian Reform, the documents passed to the Minister of Campesino Affairs, and from there to the Legal Department of the Presidency, and finally to the Primer Mandatario (the President) himself. In the long meantime, the campesinos, orphans without direction, became adventurers. They sacked houses, occupied properties, and subjected the owners to terror and extortion. Many of the agitators who encouraged such activity were members of the MNR.

The lawyers prolonged land cases to increase their fees. The administrative and legal work was done so poorly that a second examination was often required (called a *replanteo*) to correct the mistakes made. The surveyors demanded "gross sums" for their services (such as 50,000 bolivianos each from 320 ex-colonos of the property Cocamarca in the province of Arque in Cochabamba). The campesinos were thus compelled to pay for lawyers, surveyors, judges, secretaries, and other officials, as well as for sealed paper, stamps, etc., in order to obtain titles to land. The total amount invested often was more than the market value of the land. For this reason, "a great number of ex-colonos prefer to buy their parcels."³²

In his address to the national congress in 1953, President Siles Zuazo estimated that it would take 30 to 40 years to complete the agrarian reform.³³ However, Beltrán and Fernández (1960) have calculated that if the rhythm of the first period of the reform—1953-56—were followed, it would take 485 years to redistribute the land. If the increased pace of the 1956-59 period were to continue, it would take 108 years.³⁴ As of May 1960, the government had granted 63,414 titles to 44,100 heads of family, involving 1,510,832.57 hectares, of which only 820,707.82 hectares went into individually held plots. In addition, 23,431 titles were almost ready for distribution to 12,670 heads of family.³⁵

The average size of holding extended to campesinos has been 3.61 hectares.³⁶ Production has increased in some crops, especially sugar. It has fallen in others, such as wheat. However, it seems plain that the agrarian reform, even in instances in which a farmer has been able to secure title to land, has created fractionalized plots too small to encourage hopes of prosperity among the masses of rural peoples. Benjamin Maluenda, a Chilean agronomist, reported in November 1958 that the agrarian reform had had only one result: the subdividing of property.³⁷ Martínez Márquez, writing in June 1961, concluded that after 8 years, the agrarian reform had not resulted in increased production, lower prices of products, improvement in the living conditions of the peasants, or lessened political tensions in the country.³⁸ State interventionism in agriculture may have produced political consequences, however. Two Bolivian deputies have charged that an immense tonnage of coca leaves are being processed into cocaine

in a factory in Santa Cruz, which is managed by Senator Luis Sandoval Morón, the "right arm of the government." The cocaine is allegedly exported to pay for arms flown in from Cuba, stored in Santa Cruz and Cochabamba, and from there distributed in Bolivia, Peru, Chile, and Argentina in preparation for other fidelazos (Castro-like coups).³⁹ Finally, even Augusto Céspedes, one of the founders of the MNR and editor of the official newspaper, *La Nación*, admitted that the agrarian reform had produced contraproducente consequences (the reverse of expectations), at least in the rich Cochabamba Valley. He uses such words and phrases as the following to describe what has happened: "Unproductive," "anarchy," "new tyranny," "disorder," "lower agricultural production," and "negative results."⁴⁰

THE GREAT REVOLUTION AND THE NATIONALIZATION OF THE TIN MINES

In response to their enchantment with nationalization of the means of production and the planned economy, the MNR seized the three great tin interests—Patifio, Aramayo, and Hochschild—on October 31, 1952.⁴¹ Both evidence and logic argued strongly against nationalization. The Bohan report (1942) concluded without qualification that the three large companies "are without a doubt superior to any staff which the Government of Bolivia, alone or with official American assistance, could put into the field."⁴² However, the leaders of the MNR and their leftwing supporters had the terms of an ideology to fulfill, and in addition they could see that the companies were prosperous. They thought that by seizing the tin mines they would make a great killing. For example, Anaya—a Marxist-Leninist—declared that the nationalized mines would make enough money to pay for the agrarian reform; the electrification of the country; the colonization program; the construction of light and heavy industry; petroleum development; the building of schools, hospitals and the like on a great scale; and the development of water, air, and land transportation and communication.⁴³ Dr. Hernán Siles Zuazo, one of the founders of the MNR and president from 1956-60, read a paper at the Universidad Mayor de San Simón in Cochabamba on October 11, 1954, in which he declared: "For many years, Bolivia will depend on the production of its extractive industry."⁴⁴ The best proof of the grandiose expectations of the MNR nationalizers and planners is found in the statement of the president of the Corporación Minera de Bolivia (Comibol), the state mining enterprise, made in 1959. Guillermo Bedregal asserted that from the very moment of the decree of nationalization it was their expectation to finance all our ideals of social justice through operation of the mines.⁴⁵

The leaders of the MNR and their supporters had long depicted the tin companies as exploitative, imperialistic enterprises that contributed little to the welfare of the country. The decree of nationalization itself asserts that the tin companies paid to the

³⁰ La Prensa (Lima, 12 de agosto de 1961). See also: La Razón (Buenos Aires, 2 de agosto de 1961).

³¹ La Nación (30 de octubre de 1960).

³² For the names of the companies that were seized and other details, see Stokes, op. cit., pp. 43-44.

³³ Merwin L. Bohan, Report of United States Economic Mission to Bolivia (August, 1942), Pt. IV, p. 4.

³⁴ Ricardo Anaya, Nacionalización de las minas de Bolivia (Cochabamba: Imprenta Universitaria, 1952), p. 338.

³⁵ See Siles Zuazo, "Hacia la planificación de la economía boliviana," op. cit., pp. 23-63.

³⁶ Guillermo Bedregal, La nacionalización minera y la responsabilidad del sindicalismo (La Paz: n.p., 1959), p. 9.

³⁷ Beltrán, A. and Fernández, B., op. cit., pp. 58-71.

³⁸ Siles Zuazo, Mensaje, al honorable Congreso Nacional, op. cit., p. 35.

³⁹ Beltrán, A. and Fernández, B., op. cit., pp. 75-78.

⁴⁰ Programa de Gobierno, op. cit., p. 44.

⁴¹ Beltrán, A. and Fernández, B., op. cit., p. 83.

⁴² El Mercurio (Santiago, 24 de noviembre de 1958).

⁴³ Guillermo Martínez Márquez, "El dilema boliviano," La Prensa (Buenos Aires, 4 de junio de 1961).

³⁰ Stokes, op. cit., p. 41.

³¹ Roger A. Freeman, "The Revenue Problem of Bolivia" (ms. report by the Tax and Revenue Adviser, U.S. Fiscal Mission to Bolivia, La Paz, April 12, 1957. Supplement to Final Report on Assignment in La Paz, November 17, 1956, to April 24, 1957, dated April 29, 1957), *assim*.

Government only a "tiny part" (minima parte) of the value of tin exports. The companies, the decree states, "were practically exempt" from the payment of taxes. What they paid to the Government would scarcely cover the most essential needs of the country, while the owners were "accumulating enormous fortunes" for themselves. The fact is that the mines before nationalization paid a large part of the taxes collected by the Government. René Ballivián shows what the revenues were for the period 1921-44,⁵⁵ and even Anaya admits that the taxes the mines paid in 1948 amounted to 47.45 percent of the total revenues of the Government.⁵⁶ The Bohan report demonstrated that Bolivia, almost alone among tin-producing nations, taxed its exports of tin very highly. There were 30 separate tax laws dealing with export duties. The result was that 20 percent of the c.i.f. value of tin exported was returned to the Government.⁵⁷

Although the MNR did not formally nationalize the medium and small mines, almost the same effect was achieved by Government policy. The Ford, Bacon, and Davis survey of 1956 said: "As a result of this extreme taxation of private mines, the Government has maneuvered the significant private mines into a position where they are, in effect, nationalized without the Government having the headaches of their operations." The Government's take was often 100 percent of the profits, and the survey found that 25 percent of the mines were operating on a nonprofit basis as of June 1956. The MNR took 41 to 56 percent of net sales income without regard to the profit or loss of the mine or its replacement needs. In addition, the MNR established a complete monopoly of purchase and sales of all minerals, control over all imports of necessary equipment, and complete control of the Central Bank in regard to foreign exchange for the private mines. The number of small private mines declined by over 1,600 in the period 1953 through 1954. More would have ceased operations if it had been possible to do so without confiscation by the Government. "The major reasons for these conditions are attributable almost entirely to the unfavorable political climate and adverse economic environment for private initiative and private investment." The Ford, Bacon, and Davis survey concluded: "No other country in the Western Hemisphere takes so much from industry profits, and no other mining country in the Western Hemisphere has created such a condition of exhausted working capital and lack of self-sustaining mine operations as has Bolivia."⁵⁸

The management of the nationalized tin mines by the Government of the MNR was an immediate and disastrous failure. As Victor Andrade, long-time member of the MNR and Ambassador to the United States at the time, admitted in 1957, "Most of the tin mined since 1952 has been at a loss. Almost every pound of tin taken from the Bolivian mines since 1952 has been at a

loss."⁵⁹ Utilizing figures supplied by Guillermo Bedregal, president of Comibol,⁶⁰ I have prepared a chart that demonstrates what has happened through 1958:

Record of management of nationalized Bolivian tin mines

	Tin produced (kilos, fine)	Tin exported (comibol)	Value, tin (comibol)
1952	27,346,902	25,245,369	\$65,090,390
1953	26,034,007	29,974,273	61,360,919
1954	25,850,417	25,141,095	49,684,404
1955	23,484,543	23,793,512	48,035,681
1956	22,996,621	22,843,206	49,632,838
1957	21,648,353	22,389,816	45,488,068
1958	17,384,476	14,074,511	28,482,446

Although the above official figures do not go beyond 1958, studies of more recent Comibol statistical data indicate that the MNR has not been able to correct its mistakes. Production continues to decline. Costs continue to increase. One analysis (Comibol figures) show a 59-percent decline in production of the nationalized mines from 1952 to 1960.⁶¹ Pacheco Arana, with the aid of official sources, concludes that the losses of the state enterprises from November, 1952, to December, 1959, amounted to 307,517,365,657 bolivianos.⁶² Losing money on 18 out of 20 nationalized mines in 1960, the Government sustained a total loss for that year of 149,243,733,581.45 bolivianos.⁶³ According to Guillermo Bedregal Gutiérrez, president of Comibol, the loss was approximately \$10 million in 1960 and \$60 million for the entire period of state operation.⁶⁴ The cost of production for the years immediately preceding April 9, 1952, was estimated to be \$0.70 per pound. According to Comibol, the cost rose to \$1.17 by 1959 and \$1.29 by 1960.⁶⁵

Why could private enterprise operate the tin mines profitably? Why have the state enterprises failed to do so? The question evokes agreement on some points and basic disagreement on others. Let us examine first the areas in which there is substantial agreement.

It cannot be denied that the MNR and its leftist supporters encouraged the belief for years that, when the state nationalized the tin mines, the workers would achieve gains such as higher wages, shorter hours, less discipline, less work, and more fringe benefits. Aside from the fact that the unions were led by Marxists-Leninists-Trotskyites and anarchosyndicalists for the most part, the masses of the workers wanted their gains, and at once. They got them.

A decree of December 1953, created the so-called worker control (control obrero) under which the unions would elect representatives for 1 year to participate in the management of the mines. The consent of the control obrero was required for all personnel changes—hiring, firing, promotion, demotion, transfer; the control obrero must approve

action on absenteeism, theft, sabotage; supervise allocation of housing, commissary supplies, distribution of mining materials and explosives; sign all purchase orders; check on health and safety conditions; report to union officials and workers; and he had the right of veto over management's actions. If the management should object, the issue is referred to Comibol and the miners' federation. If no agreement is reached, the case then goes to the Ministry of Mining. As the Minister of Mines is "always a leading member of the union" (for example, in 1961 the Minister of Mines was the Marxist Nuflo Chávez Ortiz), the records of the cases show that most of the decisions have favored the control obrero. I am indebted to the Ford, Bacon, and Davis report for the above data.

The report also asserts that " * * * the mines are very much lacking in competent supervision, and the working conditions have greatly deteriorated." There was a decrease in underground labor efficiency averaging 15 percent in the first 5 years of state operation of the mines. The working force of the nationalized mines continually increased, rising from 28,998 in 1952 to 34,500 in 1955. Safe practices and conditions were much below minimum standards. The report declares that there was a lack of materials, lack of discipline, disrespect for safety rules, lack of enforcement authority, pilfering of critical materials, lack of safety training, and interference from political groups. There was an increase of 61 percent in the frequency of fatal accidents per 1 million shifts worked in 1955 as compared to 1953. The commissary (pulperia is the word used in Bolivia) subsidy in some mines amounted to more than the total direct mining and milling costs at the mine. The workers enjoyed 80 paid holidays in 1955.⁶⁶

The findings of the Zondag and Freeman reports were essentially the same. Zondag found that contrary instructions poured in on the mine managers from many and different sources—the Minister of Mines, the board of directors of the mining corporation, the general manager of the mining corporation, the union, and the control obrero. Labor had six channels of recourse to higher authority over their own management. The union exercised actual control over the commissary in many of the mines. The stealing of minerals and supplies were prevalent. There were daily interruptions of work for union meetings. The foremen and supervisors could not exercise their authority, as the unions refused to approve any dismissals. Many workers used up their sick leave at the urging of the unions. The mine doctors were afraid to reject workers with subjective complaints for fear of losing their jobs. Zondag found much featherbedding in Comibol's mines. The Freeman report indicated that the average mineworker earned almost as much as a Cabinet officer, although the Bolivian miner produced only one-tenth that of a U.S. miner in a comparable type of work.⁶⁷

When Siles Zuazo was president, he boasted about the social security gains Bolivian workers enjoyed. "I should like you to show me," he challenged, "any other underdeveloped country which has so high a percentage of its workers covered."⁶⁸ I would argue that it is hard work, low wages, saving, few fringe benefits, and productivity—all leading to

⁵⁵ René Ballivián C., *Tasas e impuestos sobre la industria minera en Bolivia* (La Paz: Otero y Otero y Calderón, 1946), p. 239. On the other hand, see the MNR position in Fernando Díez de Medina, *Pachukiti y otras páginas polémicas, con la denuncia por defraudación de impuestos contra los multimillonarios Patiño y Aramayo* (La Paz: n.p., 1948), p. 189.

⁵⁶ Anaya, *Nacionalización de las minas de Bolivia*, op. cit., p. 30.

⁵⁷ Bohan, op. cit., Pt. VI, pp. 31-32.

⁵⁸ Ford, Bacon, and Davis, Inc., *Report on Mining Industry of Bolivia*, Ministry of Mines and Petroleum (La Paz: not published, 1956, 9 volumes), Vol. II, *Significant Aspects of the Bolivian Mining Industry*, pp. 25-35; Vol. I, *Summary*, pp. 14-15.

⁵⁹ Victor Andrade, "Bolivia and the Future," Address, Cosmopolitan Club of Pennsylvania State College, February 23, 1957, daily CONGRESSIONAL RECORD (March 14, 1957), p. A2095; Address, Morgan State College, Baltimore, April 17, 1957, daily CONGRESSIONAL RECORD (May 22, 1957), p. A3923.

⁶⁰ Bedregal, *La nacionalización minera y la responsabilidad del sindicalismo*, op. cit., Appendix.

⁶¹ *Ultima Hora* (La Paz, 11 de marzo de 1961).

⁶² René Pacheco Arana, "La nacionalización de las minas," *Presencia* (La Paz, 11 de abril de 1961).

⁶³ *La Nación* (La Paz, 19 de agosto de 1961).

⁶⁴ *Presencia* (La Paz, 28 de julio de 1961).

⁶⁵ Pacheco Arana, op. cit.

⁶⁶ Ford, Bacon, and Davis, Inc., *Report on Mining Industry of Bolivia*, op. cit., Vol. III, *Significant Aspects of Bolivian Mining Industry*, pp. 27-28, 34-44, 73-77, 83-85.

⁶⁷ Zondag, *Problems in the Economic Development of Bolivia*, op. cit., pp. 97-100; Freeman, *The Revenue Problem of Bolivia*, op. cit.

⁶⁸ Siles Zuazo, *Mensaje al Honorable Congreso Nacional*, op. cit., pp. 78-79.

capital accumulation—which is what underdeveloped countries need if they desire to improve themselves economically. President Siles Zuazo's own figures indicated that the social security system added greatly to the costs of production and contributed to the state's vast deficits. Zondag found that social security costs were 67.5 percent of the employee's wage: Family subsidy, 13 percent of wage; rent allowance, 14 percent; social security, 5.5 percent; professional risks, 5 percent; 2 extra months' pay and other benefits, 10 percent; Sundays and bonus holidays, 20 percent. Ever since 1954, wages must be paid for 7 days per week even if no work is performed by anyone on Sunday. Two months' extra salary are paid at the end of the year; medical and pharmaceutical supplies are furnished free if there are over 80 employees in the enterprise; regular wages are paid for 90 days to sick workers; 90 days' notice or 3 months' wages are required for dismissal; with proper notice a fired employee is entitled to 1 month's pay for each year with the company; if the employee has worked in one place for 8 or more years, he gets this amount even if he resigns; finally, the employer is prohibited by decree from the number of his employees.⁶⁰

The psychology (mentalidad), encouraged by the MNR, that to work less means to gain more, has resulted in a large number of strikes and work stoppages. Martínez Márquez estimates that the average number of strikes per year was 300 for the period 1952 to 1957. In 1958, the total was about 600.⁶¹ The president of Comibol reports, somewhat sadly, that the union and its representative in the Ministry of Mines succeeded in getting \$7,600,000 for "fictitious labor."⁶² Comibol even resorted to an incentive system as a means of persuading the miners to work a little more. On October 31, 1958, the Government announced that those workers who stayed on the job for a year would be granted a substantial increment. Some districts took advantage of the offer. Now, however, the union—the FSTMB—insisted that the offer represented a labor gain (conquista laboral) and demanded that all districts should receive the bonus, including those that had struck so much and done so little that the state enterprise suffered a \$4 million loss as a result of their activity.⁶³ Very recently the MNR has appealed to the unions to replace the Tesis de Pulacayo, which had a Marxist-Leninist proletarian revolution as its purpose, with the Tesis de Telamayu, which has as its purpose subordinating temporary workers' gains for the vital necessities of the Revolución Nacional.⁶⁴

Siles Zuazo argues that the reasons for the failure of the state to operate the mines economically are: low prices, insufficient capital, wornout machinery, inadequate electrical power, and an excessive number of workers who are kept on because of elementary social justice.⁶⁵ Beltrán and Fernández assert that what Bolivia imports costs about 300 percent more than in 1945. Tin was selling for \$0.65 per pound in 1945; therefore, Bolivia should get three times that price of tin or

\$1.95 per pound just to break even.⁶⁶ If this kind of argument is accepted, then it would follow that an international commodity or cartel agreement with the United States buying tin at high fixed prices would be logical. The United States has already purchased much tin from Bolivia for political purposes, and our stockpiles exceed strategic requirements (as of July 1961) by about 150,000 tons.⁶⁷

In any event, the contention that low prices explain state failure is erroneous. According to the Statistical Bulletin of the International Tin Council in London, except for the higher prices produced by the Korean police action in 1951 and 1952, the price per pound, fine, prior to expropriation was: 1948, \$0.98; 1949, \$0.98, and 1950, \$0.93. Since nationalization, low prices and the Soviet dumping of tin in 1957 and 1958 cannot explain the deficits of the Corporación Minera. Using the above source, we find that the price in 1953 was \$0.91; 1954, \$0.89; 1955, \$0.92; 1956, \$0.98; 1957, \$0.94; 1958, \$0.91; 1959, \$0.98; and 1960, \$0.99. Other explanations are put forth, but they are hardly credible. López Rivas, for example, blames the democratic, capitalistic, monopolies of foreign countries for the state's failures.⁶⁸

Basic disagreement exists as to whether socialism or capitalism can best operate the means of production. All the independent studies, surveys, and reports that I have been able to read take the position that the inherent difficulties of socialism negate the possibilities of successful operation of the mines. The Keenleyside report, written before the MNR seized the mines, states: "Even if nationalization of the mining industry were theoretically desirable, it would be wholly impracticable in Bolivia under present conditions. The government has neither the financial resources nor the technical and administrative competence to undertake any such task."⁶⁹ The United States has supplied the MNR with more than \$191 million in financial assistance and promises more, but the management of the state mines still lacks technical and administrative competence. A lawyer's group within the MNR (La Célula de Abogados del MNR) issued a public statement in August 1961, which accused the management of Comibol of such administrative ineptitude and dishonesty that state operation of the mines could only be termed "disastrous." The group called for the immediate resignation of the top officials, including Guillermo Bedregal, president of Comibol.⁷⁰

All the recent reports assume that socialism will not prove economically viable and that therefore the MNR must return to a free economy. The Zondag report insists that a free economy is required "because only a free economy can stop the present drain caused by the activities of speculation and runners of contraband. Only a free economy can force people to work again instead of making a few pennies by standing in line. Only a free economy will create confidence in the foreign investor which, once established, will result in the Bolivian investor bringing back vast amounts of capital now hoarded abroad."⁷¹ The Ford, Bacon, and

Davis survey, the most complete and thorough of all the studies, asserts: "Both the technical and economic problems are surmountable, and the industry should be able to overcome its present difficulties provided the Government takes the necessary steps in the available time to give Bolivia the economic and investment climate it needs." The same survey makes absolutely clear that it is not price or lack of subsidization that is causing the trouble: "It must be noted that during the past 4 years the nationalized mining of Bolivia has enjoyed the highest metal prices in the history of the industry, and, furthermore, the country has been subsidized by U.S. Government tungsten contracts to the sum of about \$6¼ million annually. The Bolivian tin industry has been subsidized through all the Longhorn smelter contracts to an amount estimated at about three-quarters of a million annually." The survey concludes finally that Bolivia's only hope "is through revival of private mining activity."⁷²

It is not only the nationalized tin mines that are mismanaged and deficit-ridden, but all the other socialized industries as well.

The president of Comibol stated in 1959 that 70 percent of the economic activities of Bolivia were state owned and operated. This figure included not only the mines but factories, railroads, the state oil enterprise, and other activities.⁷³ Even in the face of the most overwhelming evidence that socialism is a failure in Bolivia, the United States has almost literally leaped to support the system. For example, the MNR called in Salzgitter A.G., a West German Government holding company with mining activities, to survey Comibol. There were some reports that Salzgitter might assume managerial responsibility under a production contract. At this time the Soviet Union allegedly announced that it was prepared to give Bolivia a \$10 million tin smelter. The United States almost instantly changed its policy position of refusing credits to Comibol as a state enterprise born of expropriation. The United States agreed to put up \$10 million for reequipment and concentration plants as well as exploration work to find new tin deposits.⁷⁴

The United States should have told the Bolivian planners and the unions—one of which threatened to march on the capital if the Soviet offer was not accepted;⁷⁵ that a tin smelter does not make economic sense for them. The Bohan report made this point clear as long ago as 1942. The Ford, Bacon, and Davis survey established that the direct operating costs of a tin smelter in Bolivia would involve an estimated \$491 per fine ton, about 90 percent higher than in foreign smelters, mainly because of the costs of imported materials and supplies. Also, there should be proved ore reserves for 25 years of operations in order to justify a smelter, something that is lacking in Bolivia.⁷⁶ Despite the evidence that the Soviet offer should have been described as spurious, the United States responded to the Communist challenge by establishing the important policy that this country is now prepared to subsidize nationalized industries whether just compensation is provided or not. Although

⁶⁰ Zondag, *Problems in the Economic Development of Bolivia*, op. cit., p. 169.

⁶¹ Guillermo Martínez Márquez, "Bolivia en 'estado de sitio' otra vez," *La Prensa* (Buenos Aires, 3 de marzo de 1961).

⁶² Bedregal, *La nacionalización minera y la responsabilidad del sindicalismo*, op. cit., pp. 26-29.

⁶³ *Ibid.*, pp. 44-46.

⁶⁴ Tesis de Telamayu (La Paz: n.p., 1960), pp. 1-7.

⁶⁵ Siles Zuazo, "Hacia la planificación de la economía boliviana," op. cit., p. 41; Siles Zuazo, *Mensaje al honorable Congreso Nacional*, op. cit., p. 17.

⁶⁶ Beltrán A. and Fernández B., op. cit., p. 169.

⁶⁷ Hanson's Latin American Letter (Washington, D.C.: July 22, 1961, Number 853).

⁶⁸ Eduardo López Rivas, *Esquema de la historia económica de Bolivia* (Oruro: n.p., 1955), pp. 191, 202.

⁶⁹ H. L. Keenleyside, Head of Mission, Report of the United Nations Mission of Technical Assistance to Bolivia (New York: U.N., 1951), pp. 48-49.

⁷⁰ *El Diario* (La Paz, 3 de agosto de 1961).

⁷¹ Zondag, *Problems in the Economic Development of Bolivia*, op. cit., p. vii.

⁷² Ford, Bacon, and Davis, Inc., Report on Mining Industry of Bolivia, op. cit., Vol. II, Significant Aspects of the Bolivian Mining Industry, pp. 2-4; Vol. I, Summary, p. 15.

⁷³ Bedregal, *La nacionalización minera y la responsabilidad del sindicalismo*, op. cit., pp. 53-54.

⁷⁴ New York Times (January 11, 1961).

⁷⁵ Presencia (La Paz, 5 de noviembre de 1960).

⁷⁶ Ford, Bacon, and Davis, Inc., Report on Mining Industry of Bolivia, op. cit., Vol. I, Summary, p. 48.

the United States accepted Mexican expropriation of private oil properties with a token compensation, it had been a policy of this country, until President Kennedy's edict, not to reward confiscators.

What about payment for the expropriated mines? The government promised to pay in the decree of expropriation. The decree in article 3 listed certain values that it said would be taken into account when a final settlement was reached. The government promised in article 10 to reach a final settlement before December 31, 1953. In reaching the figure of real worth of the properties, the decree threatened in the preamble to subtract sums for alleged nonpayment of taxes or alleged noncompliance with fiscal provisions of the law in the past. Prior to settlement with the companies, the government promised in article 11 to pay 3 percent interest on the values described above, and in article 12 to deposit in the Banco Central de Bolivia 2 percent of the gross value of all minerals exported by the nationalized mines to be used as a fund to begin paying the owners of the mines for their property. Under the "retentions" system, the Patiño, Aramayo and Hochschild groups received through September 1959 a total of \$16,825,581.34, according to the president of Comibol.⁸⁶ Even these sums were apparently given grudgingly. The president of Comibol says they were paid as a necessity and an imperative in the face of sabotage and judicial embargoes initiated by the former owners.⁸⁷ As the New Frontier increases Bolivia's stipends under the foreign-aid program, there might be enough money to make up the deficits and even to pay the former owners for the mines.

There were other consequences of the grandes conquistas and transformaciones profundas of the MNE. When the state enterprises failed and incurred great deficits, the planners printed paper money. This had the effect of producing a fantastic inflation. By December 31, 1958, the Revolución Nacional had printed and put into circulation 90 times as many bolivianos as existed in 1952, when they seized power by force. The exchange rate in 1952 was reported to be about Bs 110 to \$1 up to Bs 160 to \$1 on the free exchange. By 1955, the exchange rate was up to about Bs 14,000 to \$1. On December 16, 1956, the government was persuaded to accept and put into effect a stabilization program devised by U.S. experts. The boliviano was to be stabilized at Bs 7,750 to \$1, but by January 1959 the exchange rate was Bs 12,500 to \$1. The plan failed, even though the United States provided \$25,000,000 to back up the boliviano. The Banco Central, as of March 31, 1952, had in its vaults 344,961 gold pounds sterling and 17,765 kilos in gold bars. By December 31, 1957, only 2,921 kilos of gold remained. An editorial in *Ultima Hora* dated January 3, 1959, asserted that not even an adarme (the 16th part of an ounce) of the gold remained.⁸⁸ According to official data, the general index of the cost of living in Bolivia (1953-100) had risen by August 1960 exactly 3,031 percent or 30.3 times.⁸⁹

THE GREAT REVOLUTION AND U.S. FOREIGN AID

In the following quotations, I hope to provide some of the flavor of the U.S. foreign aid program in Bolivia (\$191,200,000 as of June 30, 1960) through a sampling of comments

⁸⁶ Bedregal, *La nacionalización minera y la responsabilidad del sindicalismo*, op. cit., Appendix.

⁸⁷ *Ibid.*, p. 38.

⁸⁸ For documentation of the details of the Bolivian inflation, see Stokes, op. cit., pp. 46-47.

⁸⁹ Beltrán A. and Fernández B., op. cit., p. 128.

from a 1960 document of the U.S. Operations Mission to Bolivia.⁹⁰

In a letter from Rey M. Hill, Director, to Juan Haus Solis, Minister of Economic Affairs (1960), there is a reference to "an inadequate control system."

As of August 6, 1960, the Government of Bolivia/Distributors owed Bs 16.5 billion. This amount has been outstanding 2 to 4 years.

As of August 6, 1960, the Government of Bolivia/Distributors owed Bs 4.1 billion. This amount has been outstanding 3 to 4 years.

A portion of the funds that was used to purchase new commodities has been poorly handled.

Also slight should not be lost that the Government of Bolivia/Importers did not abide by the terms of payments as outlined in these agreements. Large sums were still outstanding. As of August 6, 1960, the Government of Bolivia/Importers owed Bs 6.3 billion. This amount should have been paid 2 years ago to the stabilization account.

The end results are that poor records were maintained, some of the equipment was sold without accountability, and the sales proceeds used for other purposes.

The mission on a monthly basis since August 1957 has requested the Government of Bolivia to provide information on the funds accruing to it. To date no reports have been submitted.

The largest single amount as of August 6, 1960, due the special account counterpart is Bs 9 billion owed by the Government of Bolivia/Y.P.F.B. for Avgas. This amount has been owed since 1958.

In re United States dollars aid:

Cooperating governments usually assume the leading role to control the aid commodities/equipment and submit to the U.S. mission reports regarding the arrival, distribution, usage, and storage of the commodities/equipment. In Bolivia the information required for these purposes has not been furnished by the Government of Bolivia. Costly errors are in abundance.

The real difficulty regarding the monitoring and auditing of local currency projects has been the failure of the project sponsor to establish a separate bank account for the project funds and to submit quarterly progress and financial statements. Here again the key to the solution lies with the Ministry of Economy. One solution that is considered rather drastic is to cut off funds to the project until the project sponsor abides by the terms of the project agreement. Less drastic would be an educational program of utilizing the press and word of mouth that any project agreement entered into must be abided by. Since for 6 years most of the project sponsors have not abided by the reporting requirement of the agreements, it is considered advisable to begin the educational program immediately, and if this measure is not effective, commence to take drastic steps to cut off funds beginning January 1, 1961.

As of August 6, 1960, the mission had issued 210 reports containing 506 recommendations to the Bolivian Government. "Unfortunately seldom have any of these recommendations been acted upon."

ICA equipment valued at \$20,500 "remained in the ports for 2 years."

No replies have been received to any of the above correspondence.

Many other recommendations pointing out misuse of funds, nonuse of equipment, etc., that have not been acted upon.

⁹⁰ Memorandum for Information and Action of the United States Aid Program (United States Operations Mission to Bolivia, September 1, 1960), in Spanish and English, pages not numbered consecutively throughout.

Since no reports have been forthcoming from the Bolivian Government on the amount of funds accruing for deposit. * * *

In re some Bs 3 billion:

This amount was not deposited to the special account counterpart in accordance with the economic assistance agreement between our two Governments but was transferred directly to the Ministry of Finance.

Since the present handling of import duty funds is not in conformity with the Mutual Security Act of 1954. * * *

* * * the failure of the Government of Bolivia to provide reports of any nature or have the project sponsors abide by the terms of the project agreement.

End-use/audit reports:

It was necessary for this staff to work 2½ years to account for the amounts owed by distributors who, as agents for the Government of Bolivia, sold the ICA food and cotton arriving during the 1954-58 period. These reports are available to the Government of Bolivia. They point out that Bs 20.6 billion is still owed. For the past year a part of the end-use/audit staff has field checked the use of the ICA hardware items. These field checks have included two detailed surveys of the ICA commodities/equipment that has remained for long periods of time in the Chilean and Peruvian ports.

These reports point out ICA-financed equipment remaining in the ports from 1 to 3 years and deteriorating, equipment purchased for certain projects and remaining in its original crates for long periods of time after arriving in Bolivia, misuse of local currency funds, and failure to file insurance claims within the statutory period.

A letter (n.d.) from Rey M. Hill, director to Juan Haus Solis, Minister of National Economy, refers to manipulations of Counterpart Funds.

In a letter from Jorge Tamayo Ramos, Minister of Economic Affairs, to the Superintendent of Banks, dated June 6, 1960, in re point 4 funds: "This action could be considered embezzlement with the aggravating circumstance of swindle."

"Many irregularities have taken place."

Exhibit A—Montellano & Co.: "Crédito Hipotecario has illegally retained the amount of Bs. 52,262,420 for its own use."

Exhibit C—American Export Co.: "The report submitted by the Controller's Office End-Use Inspector states that two Willys Jeep station wagons were handed over to the Minister of Economy without sale slip."

"The Cochabamba mayor's office received two jeeps under the same condition."

Other recent U.S. Government documents merit at least brief examination. Some of the words and phrases from the Selden-Fascell report for the House Foreign Affairs Committee (1961) are: " * * * great excess of miners. * * * inability to fire feather-bedded laborers. * * * decreased agricultural and mineral production, voluminous contraband traffic, inflationary monetary policies." In regard to the Ford, Bacon, and Davis survey: "Due to political pressure * * * the Bolivian Government took no action on the recommendations. The Government's ability to implement its decisions is further handicapped by the existence of an armed militia of workers and peasants, infiltrated by Communists." On the U.S. aid program to Bolivia: "It should be tapered off as soon as possible, and assistance directed to specific projects."⁹¹

⁹¹ Special Study Mission to Latin America: Venezuela, Brazil, Argentina, Chile, Bolivia, Panama, Report by Hon. ARMISTEAD I. SELDEN, Jr., Alabama; Hon. DANTE B. FASCELL, Florida (Washington, D.C.: United States Government Printing Office, 1961), pp. 24-31, passim.

Some data relevant to the MNR in Bolivia may be found in the 1961 hearings of the subcommittee of the Committee on Appropriations of the House of Representatives. Although Dr. Gordon was an administration witness and favored the President's proposals for more aid for Bolivia, this exchange took place:

"Mr. PASSMAN. Did not some of your witnesses testify that Bolivia last year was near bankruptcy?"

"Mr. GORDON. It was and is near bankruptcy."

Further on in the hearings:

"Mr. MONTOYA. And I notice where they were not suffering any paucity of funds because of such small revenues because last year Bolivia, under the mutual security program, received \$23 million in special assistance. That is \$2 million more than their total revenues. They received \$8,870,000 in technical assistance, or a total of \$31,870,000. But let us go further with respect to Bolivia."

"They received a loan from the DLF of \$4 million. That far exceeds their total revenues."

"But let us go further than that. This is what adds to the shock—the Export-Import Bank loaned them, during 1958 and 1959, \$47.3 million, or approximately, in total U.S. funds, a ratio of about 3 to 1."

"Mr. GORDON. It is true * * * we have made, relative to the Bolivian Government revenues, enormous financial assistance in loans and grants together. The Bolivian case is, as I think I mentioned the other day, a particularly tragic case. None of us are happy with what happened there, either with respect to their own financial situation, or with respect to the failure so far of our aid program really to get the Bolivian economy even approaching getting on its feet. * * * I am sure that the future policy should differ very substantially from the past policy in the Bolivian case."⁹²

On the other hand, in neither public nor private Bolivian sources can one find anything even remotely approaching enthusiasm for the U.S. foreign aid program. The kindest words are found in President Siles Zuazo's message to Congress in 1958. He made several very brief noncommittal references to U.S. aid and then finally used the phrase, "the generous cooperation of the people and North American government," in respect to the program.⁹³ All the official program of government of the MNR for 1960-64 says is, "The results obtained up to now are, in general, satisfactory." This is scant praise, and the next sentence says that the results can be improved by application of better methods.⁹⁴ Guillermo Bedregal, president of Comibol, says only (1959) that U.S. assistance is necessary to pay "public expenses."⁹⁵

Mario Torres Calleja, secretary general of the miners' union (the FSTMB) and a Trotskyite, has provided a detailed criticism of U.S. foreign aid to Bolivia. The truth, he argues, is that in large part the aid the United States sent to Bolivia was food and fiber products that the United States overproduced and channeled into Bolivia as a dumping ground. To administer the aid, the United States has created a gigantic bureaucracy in Bolivia made up of inept and ignorant men who have contrived to waste the dollar aid so that all Bolivia sees of it

are ciphers on paper. The aid never involved bringing machines or instruments of production. The U.S. objective was simply to dispose of surplus farm commodities in order to solve the farm crisis and to "destroy the agriculture and national industries and frustrate the diversification program and self-sufficiency plans begun in 1952." The North American experts are characterized by incredible ineptitude, the Eder plan for monetary stabilization was antinational and anti-worker, and imperialist control of the minerals market has injured Bolivia. The union leader is against Yankee plutocracy, monopolists, and multimillionaire Yankees. Torres concluded by saying that his union would continue the anti-imperialist struggle, expressing its solidarity with the Cuban Revolution.⁹⁶

Similar ideas are developed by Beltrán A. and Fernández B. in a serious study published in 1960. The principal reason for U.S. foreign aid in Latin America is to protect the 30-, 40-, and 50-percent earnings on capital invested of North American monopolies. As Latin America is of enormous importance to the monopolies, the United States has put into play a new form of slavery through the deceiving etiquette of American aid. The food program (of Public Law 480) is not disinterested. The purpose is twofold: (1) to permit the maintenance of high prices in the United States by dumping the surpluses in Latin America; and (2) to prohibit the development of a healthy agriculture in Latin America that might compete with the United States. In this way, it is possible to subjugate the Latin American countries and keep them in a perpetual state of dependency. The United States can use foreign aid to protect both its sources of raw materials in Latin America and also the markets for the manufactured goods of its monopolistic enterprises. The United States uses surplus food (excedentes agrícolas) for the purpose of financing military dictatorship and furthering political corruption in order to guarantee a favorable climate for the investments of North American monopolies. The United States also provides technical assistance to Bolivia, but the means employed are absolutely fragmentary and superficial. The authors conclude that U.S. foreign aid has caused all the failures of the MNR. On the other hand, the cause of the countries that fight for their liberation can count on the definite help of the Socialist world, aid that is a guarantee of the success of an enterprise.⁹⁷

CONCLUDING REMARKS

If it can be assumed that the foregoing analysis is supported by sufficient evidence to merit the judgment of substantial accuracy, then it becomes crystal clear that President Kennedy's eulogy of the Revolución Nacional as a great revolution, which has blazed a path for others to follow, is a profound blunder, the consequences of which may prove disastrous for the United States. Undoubtedly the President was advised by trained, traveled, and talented specialists in Latin American affairs to write the letter, promise the aid, and praise the MNR. The names of such men and the reasons for their advice have not been revealed, however.

The Revolución Nacional is not a great revolution. It has not blazed a path for others to follow. It has lessened political liberty and retarded representative government. What is the direction of the present government? A scholar working in Bolivia writes (early 1961): " * * * Paz Estenssoro, willingly or unwittingly, placed himself in the hands of the far left of the MNR"; and " * * * the drift is toward the left." The same scholar's words and phrases support the thesis of this paper that the MNR's sys-

tem of socialism and the planned economy is an ignominious fracaso or failure: "stagnating agrarian reform"; "plummeting tin production"; "hyperinflation"; "rising cost of living"; "mass exodus of professionals."⁹⁸

The United States must have selected all its officials in Bolivia from the ranks of imbeciles and the deaf, blind, and dumb not to know what has happened in that country in the past 8 years, one Latin American writes.⁹⁹ Ramírez R. tells us, "We view with surprise the measures adopted by the United States, handing over enormous quantities of dollars to their own enemies."¹⁰⁰ In the view of Siles Salinas, U.S. aid to Bolivia is designed to provide an example to other Latin American countries of what not to do—seize land, nationalize, and "plan."¹⁰¹ One increasingly notes the use of the word "antilejemplo" (literally, "counterexample") in Latin American publications to describe the Revolución Nacional in Bolivia. The feeling has assuredly developed, among some Latin Americans at least, that the quickest way to debase a country's economy is to nationalize it. This may well be the only positive consequence of the U.S. foreign aid program in Bolivia.

I submit that the evidence does not and cannot support the view that the MNR is a defender of the ideals and values of American culture. Massive U.S. aid has nullified the American policy of nonintervention in the internal affairs of other countries in the Western Hemisphere. The aid program has resulted in rendering the leaders of the MNR subject to extended tutelage by selected U.S. officials. Even so, no basic principles of the MNR have changed, and only a minute impact on policy can be claimed.

I am aware of the fact that it can be argued that the political authoritarianism of the 1952-56 period has been moderated in certain particulars. Some have insisted, erroneously in my judgment, that the presidential elections of 1956 and 1960 were democratic. The reforma agraria has so far permitted individuals to possess, if not to acquire legal title to, land, but there are influential elements in the MNR who agitate constantly for cooperatives or collectives. The public monopoly in oil has been mitigated to permit private exploration under prescribed circumstances. Some recognition of the value of private initiative is to be found in the Program of Government for 1960-64. Furthermore, Dr. Rowland Eger, special representative of President Kennedy, addressed high officials in the Government of the Revolución Nacional in November 1961, and said: "Bolivia is destined to a social and economic future of incomparable brilliance" (La Nación, La Paz, Nov. 12, 1961). However, the basic principles and policies of the MNR, it must be reiterated, have resisted assault. Is there anything in the expanded program of aid to the public sector, to which President Kennedy has committed this Nation, that will persuade the MNR to revise its principles and policies in a more fundamental and substantial way? In candor, one must recognize that, as of July 1961, President Paz Estenssoro was reported to be intent upon soliciting \$150 million in aid from Premier Khrushchev and whatever else he might "cadge" from Red China.¹⁰²

⁹² Richard W. Patch, "Bolivia Today—An Assessment Nine Years After the Revolution," American Universities Field Staff, Vol. VIII, No. 4 (1961), pp. 4, 7, 10-11.

⁹³ Crónica (Cochabamba, 5 de junio de 1961).

⁹⁴ La Mañana (Asunción, 14 de abril de 1961).

⁹⁵ Siles Salinas, Lecciones de una revolución, op. cit., p. 43.

⁹⁶ El Mercurio (Santiago, 4 de julio de 1961).

⁹⁷ El Diario (La Paz, 17 de abril de 1961).

⁹⁸ Beltrán A. and Fernández B., op. cit., pp. 9, 124-125, 174-184, 210-211, 217, 219.

⁹² Inter-American Programs for 1961; Denial of 1962 Budget Information, Hearings before the Subcommittee of the Committee on Appropriations, House of Representatives, 87th Congress, First Session (Washington, D.C.: United States Government Printing Office, 1961), pp. 116, 266.

⁹³ Siles Zuazo, Mensaje al honorable Congreso Nacional, op. cit., pp. 43-44, 90, 92, 106.

⁹⁴ Programa de Gobierno, op. cit., p. 141.

⁹⁵ Bedregal, La nacionalización minera y la responsabilidad del sindicalismo, op. cit., p. 42.

Foreign aid, overtly or unconsciously, has become an instrumentality of American foreign policy. If this is true, then it follows that the foreign-aid program should be used to defend and advance the interests of the United States. One of the few interests on which the executive and Congress and the great majority of American citizens seem to be agreed is that communism should not inherit the earth. Modern-day communism is principally Leninism, and much can be learned about its nature and tactics by examination of Lenin's "The State and Revolution" and "Imperialism: The Last Stage of Capitalism." Communism operates as an international conspiracy with highly developed techniques of internal subversion and sophisticated employment of force and threats of force in international relations. Any country that demonstrates a desire to eradicate internal Communist subversion and external Communist pressure and coercion should be aided by the United States by specific measures designed to accomplish specific results.

However, some in the United States assume that the only way to prevent the Latin American countries from becoming Communist satellites is to extend massive support to leftwing, collectivistic movements. When the question is raised why such an assumption should be accepted, the reply usually given is that people are in a hurry to achieve the benefits of technology, and that rapid progress can be won only by permitting the government to control the means of production. In my opinion, this assumption can and should be challenged. Is not Japan developing more rapidly than India? From what I could see of East Germany with socialism and West Germany with capitalism (summer 1960), the latter had "turned the clock back" to a superior economic system. Better still, visit the heartland of socialism, the Soviet Union. Insofar as the great masses of human beings are concerned, the Soviet Union is a primitive, backward country. This was, at least, my own observational conviction. However, the best illustration of the falsity of the line of reasoning that the United States can oppose communism only by supporting leftwing revolutions is seen in Bolivia. Massive aid has been given. The public sector has planned and expanded, but the results have been contraproductive.

The President of the United States has provided a considered solution to this dilemma: Extend even greater aid to leftwing political authoritarianism and economic socialism. To do this, to refer to the Revolución Nacional as a model, is to produce confusion and consternation among those public figures of virtue and integrity in Latin America who support principles of individualism, voluntarism, representative government, and private initiative and enterprise. Only the Marxists-Leninists and leftwing nationalist collectivists, who seek to do in other Latin American countries what the MNR has done in Bolivia, can possibly derive aid and comfort from the policy of the United States. Bills have already been introduced in Chile to expropriate U.S.-owned copper mines at a fraction of their real value, with payment to be provided indirectly through funds from the Alianza para el Progreso program.¹⁰⁸

To those who argue that there are no alternatives, that there is only one course possible, I must insist that there is always another way, and not infrequently a better way. Such matters are appropriate considerations for another paper and should not unduly encumber the purposes and findings of this investigation. However, if the United States desires to inhibit the growth of communism in Latin America through the expenditure of public funds, then it must make such funds available to those men who

by conviction and policy oppose communism. If the United States desires to spend public funds to aid other peoples to achieve higher material standards of living, it must make such funds available for governments and policies that make private initiative and enterprise possible. Books, documents, reports, interviews, and observation all lead me to conclude that Bolivia possesses the human and material resources appropriate for individual and collective life immensely superior to anything so far enjoyed in that country. The evidence suggests, in my opinion, that the Revolución Nacional cannot advance the good life, even with massive U.S. aid. At this point in the argument, the supporters of the MNR usually insist that withdrawal of foreign aid to the Revolución Nacional would instantly mean that Bolivia would become a Communist satellite. It is my judgment that U.S. support of the MNR has already led Bolivia closer to communism than at any time in the history of the country, and that continued support of the men and policies of the Revolución Nacional will continue to advance the cause of communism. If U.S. aid to Bolivia were withdrawn, the MNR would fall from power, and probably very quickly. Other Bolivians—talented, educated, competent, patriotic—and dedicated more to the ideals, values, and objectives of the United States and the Western World than the MNRers, are ready to assume power. Those familiar with Latin America know who these men are. It is possible that they and not the Communists would emerge with control of the state.

TRADE POLICIES WITH COMMUNIST-BLOC COUNTRIES

Mr. HART. Mr. President, in remarks to the Senate on September 26, I urged a high-level, broad reexamination of our trade policies with the Communist-bloc countries.

Now the Senate Foreign Relations Committee has announced it will undertake such a review, and I commend the committee for their willingness to take on this important job.

Within recent days, the Detroit News had an excellent editorial on the need for a thorough reconsideration of the issues involved in trade with Communist nations.

I ask unanimous consent that this editorial from the Detroit News of October 11 be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Detroit News, Oct. 11, 1963]

MORE TRADE WITH REDS WEIGHED—AFTER WHEAT SALE, WHAT?

Now that President Kennedy has cleared the way for the sale of more than \$300 million worth of surplus U.S. wheat to the Soviet Union and its satellites, the question is whether this country should seek increased trade in general with the Communist world.

The Senate Foreign Relations Committee already has announced that it is going to review U.S. trade policy toward the Soviet bloc. We think that such a review will be valuable both in informing public opinion about present policies and in weighing the alternatives of a failure to increase trade.

Such a review is needed because the President emphasized that the administration approval of the "one-shot" wheat deal with the Communist nations did not represent a new Soviet-American trade policy. Instead, he described the deal only as "one more hopeful sign that a more peaceful world is both possible and beneficial to us all."

But the Soviet Union and its satellites already have indicated an interest in buying feed grain and perhaps other agricultural products from the United States. It is possible that there also could be an expansion of trade in other consumer products which the United States has been selling in limited quantities to the Communist world in recent years.

The limitations which the President put on the wheat sales would, however, restrain the expansion of trade. The wheat is being sold by private U.S. exporters for gold or dollars, in cash or under normal commercial terms; is being shipped in American bottoms whenever possible, and must be consumed within the Soviet Union and her Eastern European satellites. This final limitation was imposed to bar transshipment of grain to Cuba, Communist China, North Vietnam, and North Korea.

Expansion of trade between the United States and the Soviet Union also would be limited by the fact that the economies of the two countries are somewhat similar. In normal times, both are exporters of many agricultural products, although the United States has a much greater surplus than the Soviet Union ever has achieved. Both also export many industrial products although here, too, U.S. excess production is much greater than the Soviets.

In addition, trade is another weapon in the cold war in the minds of the Soviet strategists. The factors of demand and supply that govern trade in this country always can be subject to—and controlled by—political considerations in the Communist world. So it would be dangerous for this country ever to become dependent for any of its strategic supplies on the Soviet-bloc countries.

The factor of political advantage to the Soviet Union also must be considered. Increased trade with the Soviet Union would tend to indicate U.S. approval of the status quo in Eastern Europe. It also would lessen the effectiveness of the special consideration that the United States now gives to Poland and Yugoslavia in an effort to wean them away from full dependency on the Soviets.

Yet all of these arguments do not offset the possible advantages to be gained. The United States needs new markets to replace those it is losing to the Common Market in Western Europe. The United States needs greater exports to reverse the balance-of-payments deficit. The United States by selling more consumer products to the Soviet Union would harvest Soviet dollars and gold that could not be spent for armaments.

So we hope that the Senate Foreign Relations Committee gives open-minded consideration to the prospect of greater trade with the Soviet Union and its satellites. Always, of course, the committee must keep in mind the protection of the best long-range interests of this country, just as, we feel, Mr. Kennedy did in approving the sale of wheat to the Soviet bloc.

CIVIL RIGHTS PUBLIC PROTESTS AND DEMONSTRATIONS

Mr. HART. Mr. President, one of the more controversial aspects of the current civil rights ferment has been its use of various kinds of public protests and demonstrations.

We have all heard these questions raised: Do these demonstrations represent a disrespect for law and order? Or are they in the mainstream of a great heritage and right of public protest protected by the Constitution? If so, are there limits to this constitutionally protected right of protest?

In August of this year, the American Civil Liberties Union, long a respected

¹⁰⁸ Hanson's Latin American Letter (Washington, D.C.: August 19, 1961, No. 857).

and vigilant guardian of the constitutional rights of all Americans, published a pamphlet entitled "How Americans Protest: A Statement on the Civil Rights Demonstrations."

This pamphlet surveys the constitutional development of the right of assembly from the Magna Carta, through early State constitutions, to its inclusion in the first amendment as "an independent right, equally as important as free speech and press." And it traces the history of public protest in this country from revolutionary days to the current civil rights movement.

Finally, the pamphlet examines the limitations on the right of assembly and finds that its abridgement can be justified only in order to protect other substantial rights.

Mr. President, I commend this ACLU pamphlet to all Americans, and I ask unanimous consent that its text and editorials on it from the Baltimore Sun and the Boston Herald be printed in the RECORD.

There being no objection, the article and editorials were ordered to be printed in the RECORD, as follows:

HOW AMERICANS PROTEST—A STATEMENT ON THE CIVIL RIGHTS DEMONSTRATIONS
FOREWORD

The American Civil Liberties Union views with firm hope the course being taken by the movement of our Negro countrymen toward full citizenship. A protest movement of such dimensions is bound to arouse opposition and be attended by disorders, perhaps some that will be more serious than have already occurred. But disorder is less to be dreaded than suppression of the right to protest. In our constitutional system this right is one of fundamental importance—a part of the purpose of our national being. It is also a means of resolving deep-seated problems—the loss of which threatens dangers of a much higher order.

We deem it essential, therefore, to revert to first principles—to inquire why the 1st amendment forbids Congress to make any law "abridging . . . the right of the people peaceably to assemble and to petition the Government for a redress of grievances," why the 14th amendment forbids State action abridging the same right, how Americans have used this right before, and how all this affects what we do in response to today's headlines.

The first amendment prohibition was a fruit of colonial experience. Bacon's Rebellion in Virginia, the Regulator movement in North Carolina, and the movement culminating in the Boston Massacre—all originated in denial to the people of a right to assemble and voice their grievances. The colonists therefore, had had bitter experiences at the hands of an unrestrained government willing to resort to shooting and hanging to suppress popular protest. Hence the architects of the Constitution rightly put the new government under restraint.

Yet in the very act of establishing a government they placed themselves under reciprocal restraint, acknowledging this in the word "peaceably" which they wrote into their definition of the first amendment right. Even so, the right they defined is quite as capable of being suppressed by violent citizen opponents as by an unrestrained government. Clearly, then, government is not only required to refrain from interference with peaceful assemblies; it must restrain the restrainers as well.

Those government officials and editorial writers, who have been quick to rebuke certain parts of the extraordinarily effective

civil rights demonstrations of 1963, have forgotten this clear direction of the first amendment. They have likewise forgotten that the demonstrators have shown a keen awareness of the meaning and limit of the first amendment right. When breaches of order have occurred, the well-led civil rights assemblies have manifested truly remarkable self-discipline, and they have rarely been the aggressors.

But observers of these actions owe the protesters an additional concession; the grievances sought to be redressed are themselves the denial of a carefully defined constitutional right to equality. Members of the majority that has dominated the American society and its lawmaking machinery for the past century cannot escape responsibility for the years of callous indifference to the demands of nonwhite citizens. This indifference created the frustration which now finds expression in the current demonstrations. After decades of denial of rights, is it any wonder that demonstrations show such deep emotion? Or that some actions have been taken which inconvenience—or even interfere with rights of—other citizens? The American Civil Liberties Union does not assert that every civil rights demonstration has confined itself to constitutionally protected protests. But we remind every American who feels adversely affected by this activity that he is involved in the current crisis: he must face the issue of the deprivation of rights—rights having dignity equal with his own.

In the final analysis it is redress of the grievances that will measure the living value of the right to protest. In employing this time-honored American right, the people engaged in this movement have created an awareness of the extent of deprivation, and the justice of their cause, that never before existed among their countrymen. Yet ignorance of these matters persists, sometimes from almost conscious self-deception, more often from an unreal sense of distance from and noninvolvement in the issues. None of us is free from involvement.

The blot of inequality, of persisting vestiges of that slavery which the 13th amendment undertook to outlaw, is a curse upon all of us, and threatens the security with which we all enjoy the fundamental rights of an American. Until this lesson is brought home, until the grievances to which it relates are in fact redressed, we may expect an increasingly persistent employment of the right of protest. And a decent respect for our own interest in all of the rights of an American demands that we acquire and manifest a more perfect understanding of this one.

THE AMERICAN HERITAGE OF PUBLIC PROTEST

The major impact of the civil rights demonstrations in 1963 warrants our knowing more of the American heritage of public protest. Too many of us have forgotten the important role protests have played in the history of the United States, and the constitutional rights involved.

De Tocqueville's "Democracy in America" pertinently remarks that the exercise of the right of association in order to pursue common objectives is a potent weapon of free citizens to resist tyranny of the majority and to achieve desired legislative action.¹ The first amendment contained in the Bill of Rights (1791) guarantees the right of the people "peaceably to assemble, and to petition the Government for a redress of grievances." This Federal constitutional guarantee was preceded by provisions of several State constitutions guaranteeing the right of the people to "assemble together, to consult for the common good, to instruct their representatives and to apply to the legis-

lature for redress of grievances."² Although stemming historically from the right to petition the crown for redress, set forth in chapter 61 of the Magna Carta (1215), the U.S. Supreme Court has established that the American right is not limited to assembly in order to petition the Government but is an independent right, equally as important as free speech and press.³

The Declaration of Independence reminds us that this Nation came into being as an act of protest against discriminatory treatment of the colonies by the British Government. It is not surprising then that we find throughout our turbulent history numerous examples of public and even violent protest either against governmental action or to achieve the creation of new public policy. The formation of a Government of the United States followed such public protests as the Boston Tea Party and those of the earlier movements in Virginia and the Carolinas. In New York the protest took a less violent but no less effective form when the Sons of Liberty of New York published, on November 29, 1773, a resolution branding as an "enemy of the liberties of America" whoever aided in transporting, selling or buying the taxed tea. The forceful suppression of these protests culminated in a war of revolution, whose successful conclusion made the paper independence of 1776 an ultimate reality. The relationship between these protests enshrined in history and the current protests on behalf of equal rights for Negroes was recognized by Senator JOHN O. PASTORE in the course of Secretary of State Rusk's July 10, 1963, testimony before the Senate Commerce Committee on the pending civil rights bill. When Senator THURMOND challenged Secretary Rusk's approval of civil rights demonstrations, Senator PASTORE asked Senator THURMOND whether he believed in the Boston Tea Party.

Slavery in the United States, prior to its abolition in 1865 by the 13th amendment, was the object of vigorous public attack and support in the North as well as in the South. William Lloyd Garrison, a leading abolitionist, was a pacifist; the agitation he led and countenanced did not include physical violence or go beyond the bounds of colorful speech and symbolic burnings of copies of the Federal Fugitive Slave Act of 1850 and of court decisions enforcing it.

Determined efforts to stop his nonviolent agitation for abolition involved disorderly public demonstrations and unlawful threats in several Northern cities. For example, on his return in 1835 from London, where he spoke against slavery, Garrison was criticized in the New York newspapers and met at the pier by a throng of 5,000 persons opposing abolition. His appearance in Boston was met with placards urging that he be tarred and feathered. Prominent people, including members of the clergy, joined in denouncing the abolitionists and Boston's Faneuil Hall, that historic cradle of liberty, was packed with a crowd of the best people to listen to speeches denouncing the abolitionists and in support of States rights and slavery. A month later a mob gathered in front of the Boston office of Garrison's newspaper, the *Liberator*, and dragged him through the street at the end of a rope. In 1838 a mob opposing the abolitionists rioted for several days in Philadelphia and in the process burned down the newly built Pennsylvania Hall.

For years abolitionists could not meet in New York City without encountering organized disturbances. And even during the

² North Carolina Constitution, 1776, Declaration of Rights, art. 18. See also similar provisions in the constitutions of Pennsylvania, Rhode Island, and Massachusetts.

³ *DeJonge v. Oregon*, 299 U.S. 353, 364 (1937).

¹ De Tocqueville, "Democracy in America" (New York, 1956), pp. 194-195.

Civil War the New York City draft riots of 1863, which in large part reflected anti-Negro sentiment, resulted in thousands of deaths and several lynchings of Negroes. Southern States, such as South Carolina, of course, handled abolition talk very simply by threatening to hang any abolitionist who might fall into their zealous hands. (It is only fair to add, however, that the abolition movement had its start and, prior to 1831, most of its members in the plantation States.)

Even though Garrison refused to support or condone them, violent demonstrations also supported the cause of abolition. The enforcement of the Federal Fugitive Slave Act of 1850 requiring the return of escaped slaves met with violent resistance. In 1854 the capture and return of Anthony Burns was met with riot in Boston as well as by Thoreau's famous denunciation, "Slavery in Massachusetts." The Supreme Court's *Dred Scott* decision in 1857, holding that an escaped slave remained the property of his master, aroused indignation and protest throughout the entire North. The raids, violence, and killings in the struggle to determine whether Kansas would be a free or slave State culminated in John Brown's raid on the Federal arsenal at Harper's Ferry seeking to arm volunteers, white and Negro, to invade the South and free the slaves. Although Brown was promptly captured and hanged, his truth that slavery is an abomination did indeed go marching on and all of the violence on both sides merged into the Civil War.

After the ultimate violence of that fratricidal war, in which more Americans were killed than in any other war in which the United States participated, the struggle to secure the freedom and equal rights of Negroes guaranteed by the 13th (1865), the 14th (1868), and the 15th (1870) amendments, continued. The strongest measures were taken by the Federal Government, including the passage of the Civil Rights Acts of 1866 and 1875, and the series of Reconstruction statutes imposing military rule on the defeated South until 1877.⁴ During this period, as at present, Negroes demonstrated to obtain in fact the equal treatment under the laws which the civil rights acts undertook to grant them and then, as now, their peaceful protest actions were met with counterattacks and physical violence. For example, in May 1871, in Louisville, Ky., Negroes who insisted on riding in streetcar seats reserved for whites were dragged off the cars by fellow passengers and bystanders and beaten. When the U.S. Attorney General promised Federal court action to support the rights of the Negro riders, the streetcar company capitulated and allowed passengers to sit where they pleased. The Kentucky press approved this desegregation of the streetcars as a model for good race relations and the community accepted the new state of affairs.⁵

The Supreme Court's 1883 decision in the *Civil Rights Cases*,⁶ holding invalid the act of 1875 which prohibited discrimination in public accommodations, brought to a halt that era of demonstrations to support the rights of Negroes. The 1954 decision in the school segregation cases⁷ was the forerunner of the protests currently developing.

Wholly apart from the many forms of proslavery and antislavery agitation, our history has recorded many vigorous public protests, either against action taken by State or Federal authorities or urging action to be

taken. Even under the Articles of Confederation it was necessary for State authority to cope with such uprising as Shay's Rebellion. In 1794 the militia of the infant Federal Government was called to suppress the Whiskey Rebellion in western Pennsylvania against the Federal excise tax on liquor. Public agitation against the Senate's ratification of the Jay Treaty terminating the War of the Revolution with Great Britain was so violent and extensive that John Jay, who negotiated the treaty for the United States, was burned in effigy in 1795 at the culmination of public meetings of protest in Boston, New York, Philadelphia, Charleston, Savannah, and other cities.⁸ Convictions under the infamous Sedition Act of 1798 were protested by large assemblies before the jails demanding the release of the prisoners. In later demonstrations, the suffragettes helped secure voting rights for women; supporters of the Anti-Saloon League contributed to the enactment of prohibition; a "Bonus Army" of thousands of jobless veterans marched on Washington, D.C. in 1932; farmers in the Middle West protested against foreclosures of farm mortgages during the economic depression of the 1930's; and extensive agitation and picketing accompanied the attainment by labor of the right to organize. All these uses of the right of public assembly give solid precedent for the current demonstrations against unequal treatment of Negro citizens.

THE RIGHT OF PROTEST

Two vital questions are immediately presented to the public as it views the current protests: what are the proper limits to which these demonstrations may go, and are the participants under any obligation to avoid occasions where violence may occur?

There is no doubt that some demonstrations have exceeded the proper limits of the constitutionally protected right of protest. For example, last July 4 a protest against discrimination in employment by Jones Beach State Park in Long Island, N.Y., took the form, not merely of legal picketing, but in addition of blocking automobile approaches to the park by bodies of demonstrators lying across the highway. More recently the blocking of all access to the construction site for Downstate Medical Center in Brooklyn, N.Y., in protest against the hiring policies in the construction trades, prevented persons from entering the site on their own business. Each of these violated legal protections of the public's right of movement and thereby exceeded the limits of constitutionally protected activity. The ACLU does not support such excesses; specifically we believe that physical obstruction of the right of movement does not merit civil liberties protection.

But citizens will variously judge these invasions of the rights of others—deliberately done on these occasions by persons prepared to accept the consequences of law violation. We owe these persons acknowledgement that the discrimination they object to is itself a violation of law—more outrageous in these cases because the public's funds, and thereby a measure of official sanction, are involved. Moreover, it recognizes but part of the problem to editorialize, as did the *New York Times* recently, that "protest certainly cannot be allowed to interfere with the rights of innocent bystanders."⁹ This analysis neglects the fact that the majority, long indifferent to racial discrimination, may scarcely be considered to consist entirely of innocent bystanders. Some men of conscience are moved to use extraordinary

means only because ordinary ones have seemed to fail.

The Supreme Court has made it clear that the right of assembly is a relative, not an absolute right, subject to regulation to protect the rights of others.¹¹ But it may be regulated only to protect substantial rights, not merely to avoid inconvenience. Just as the distribution of noncommercial handbills (an exercise of the comparable right of freedom of press) may not be prohibited merely to avoid littering,¹² so the right to assemble and protest may not be denied to avoid possible public unrest, or even violent opposition.¹³ A permit may be required for the holding of parades or public meetings, and meetings and demonstrations may be regulated, for example, to prevent undue restriction of normal traffic or to limit use of facilities to one group at a time. But this power may not be used to "protect" the public from exposure to what some members of it—or some officials—do not want said.¹⁴

The American majority may well see the predominantly lawful activity which has characterized the current movement as bringing troublesome inconvenience. And indeed the protests forecast even more. Painful readjustments are demanded by the expressed grievances. Many people, in every section of the country, are only now beginning to understand how racism pervades our daily lives and to sense how profoundly all our ways will be affected in the process of eliminating it. As white citizens in northern communities begin to reexamine entrenched habits and customs, particularly those involving schools, employment, and housing, many of the same emotions may be stirred as in a deep southern community moving away from total segregation. Change is difficult and often frightening. But it is coming, and its accomplishment will occupy a towering place in history. Oliver Wendell Holmes said that a man must "share the passion and action of his time at peril of being judged not to have lived," and we are confident that Americans will increasingly welcome the sense of urgency which our time impels. We are also confident that as a beginning each community will bend to accommodate the immediate inconveniences engendered by today's legitimate protests.

The major aspect of the right to demonstrate which has had insufficient attention is found in the suggestions by many of the highest public authorities that assemblies likely to lead to breaches of peace should be avoided. Governors of various States and even the President of the United States have been among the authors of this misstatement of principle. The point that has not

¹¹ *Hague v. CIO*, 307 U.S. 496, 516 (1939).

¹² *Lovell v. Griffin*, 303 U.S. 444 (1938).

¹³ *Kunz v. New York*, 340 U.S. 290; *Terminiello v. Chicago*, 337 U.S. 1. As Mr. Justice Douglas said in *Terminiello*, of an intensely provocative speech made in a public meeting, "[a] function of free speech under our system . . . is to invite dispute. It may indeed best serve its high purpose when it induces a condition of unrest, creates dissatisfaction with conditions as they are or even stirs people to anger. . . . It may strike at prejudices and preconceptions and have profound unsettling effects as it presses for acceptance of an idea." 337 U.S. at 4. These words apply equally to protest demonstrations.

¹⁴ *Hague v. CIO*, note 11 above (holding void a municipal "permit" ordinance which had been used by local authorities to prevent public meetings on behalf of union organization); *Rockwell v. Morris*, 211 New York State 2d 25, aff'd. 10 N.Y. 2d 721, cert. denied 368 U.S. 913 (requiring issuance of a permit to hold a public meeting for a speech by a "self-confessed advocate of violence" and Hitlerian methods).

⁴ Charles A. Madison, "Critics and Crusades" (2d ed.; New York, 1951), pp. 3-4.

⁵ Claude Bowers, "The Tragic Era" (New York, 1929).

⁶ Alan F. Westin, "Ride-In," *American Heritage* magazine, August 1962.

⁷ 109 U.S. 3.

⁸ *Brown v. Board of Education*, 347 U.S. 483.

⁹ Claude Bowers, "Jefferson and Hamilton" (Boston, 1925), pp. 265-288.

¹⁰ "Bounds of Protest," July 9, 1963; see also "Right Goal—Wrong Method," July 23, 1963; "Breakthrough or Breakdown?" July 31, 1963.

been made clear is that the important constitutional right of protest cannot be abridged by the violent threats of lawless individuals opposed to the objectives of the demonstrators.

The courts have plainly declared that important constitutional rights, such as free speech and assembly and equal protection of the laws, cannot be curtailed because of apprehension that the exercise of these rights will result in riotous disturbances by lawless opponents. The U.S. Supreme Court very recently reiterated this point in *Wright v. Georgia*,¹⁵ in reversing the "breach of peace" conviction of six Negroes for peacefully playing basketball in a "whites only" public park. There the Court said "the possibility of disorder by others (whites, whom the police anticipated would be provoked to a breach of the peace by the Negroes' presence) cannot justify the exclusion of persons from a place if they otherwise have a constitutional right (founded on the equal protection clause) to be present." The constitutional rights of speech and protest are equally fundamental.¹⁶ In *Cooper v. Aaron*,¹⁷ the "lawless opponents" were State officials themselves who, encouraging mob violence and interposing State units of the National Guard forcibly to prevent compliance with Federal court orders, led the school authorities in Little Rock, Ark., to ask a Federal court to postpone implementation of a desegregation plan because of extreme public hostility. The Supreme Court rejected this petition and ordered immediate reinstatement of the plan, saying that "law and order are not here to be preserved by depriving the Negro children of their constitutional rights."¹⁸

This issue arises in the streets, at police headquarters and at executive mansions before it reaches the courts and it is the Governors, the mayors, and the police officials who must bring home the truth that demonstrations for racial equality cannot be prohibited because lawless reaction is anticipated. Means must be found to turn the forces of law and order to the protection of the demonstrators and to prevent violence by those who would attack them.

It is unthinkable that the constitutional right to demonstrate peaceably should be abridged by the least tolerant element in the community. Reversing the denial of an injunction against interference with free speech of Jehovah's Witnesses, the Court of Appeals for the Eighth Circuit in *Sellers v. Johnson*¹⁹ explained:

"Under such a doctrine (that individuals may be deprived of their constitutional rights of assembly if their unpopularity threatens a riot), unpopular political, racial, and religious groups might find themselves virtually inarticulate. Certainly the fundamental rights to assemble, to speak, and to worship cannot be abridged merely because persons threaten to stage a riot or because peace officers believe or are afraid that breaches of the peace will occur if the rights are exercised."

Of course police may be compelled to stop a public meeting or demonstration if the situation develops to the point of imminent riot. But before the tension reaches that stage police must act to prevent hostile threats against peaceful demonstrators from being carried out and to arrest those seek-

ing to break up an assembly.²⁰ There is no legal or constitutional right for other citizens to interfere with a public assembly.²¹

NEEDED: A NATIONAL COMMITMENT

The exercise of the right of assembly, protest and demonstration cannot guarantee a redress of all just grievances and of only those which are just. Not every movement of protest will be successful, nor will history necessarily judge to be just all those which are successful.

But grievances must be heard in order to be redressed—and in a forum where action can be taken that is responsive to the whole thrust of the problems raised. Underlying the emphasis which the civil rights movement now places upon public demonstrations is the proven inadequacy of the forums in which their grievances have previously been heard. The courts have responded to their suits with unequivocal declarations of the right to equal treatment. Yet 9 years after the decision in the school segregation cases, but a small proportion of Negro students in biracial districts attend integrated schools, and parks and other public facilities continue to discriminate. Presidents and Governors have issued Executive orders in response to the pleas of civil rights leaders, dealing among other things with discrimination in public employment. Yet lack of employment opportunities for nonwhite people is a problem approaching crisis proportions today. Congress has legislated that there shall be no discrimination in voting rights, but application of these laws has so far made only a small dent in the rejection that faces many Negroes seeking to vote.

Each of these forums—the judicial, the Executive, and the legislative—has responded, when it acted, with an unequivocal endorsement of the justice of the civil rights demands and each has contributed important gains which have in turn given impetus to both the demands and the awakening of the American conscience. But these gains, in the context of the total problem, have afforded only a token measure of redress. What has not yet come to pass is a commitment of the whole Nation to right the wrongs toward minority races embedded in the patterns of our national existence. Such a commitment can only come from a total awareness of the problems, and of the inconsistent clash that exists between our historic and constitutional standards of equality and our everyday practices. Only appeal in a larger forum—the public demonstrations—can achieve that total awareness. Only then will legislation, Executive action, judicial decree and private response concur to redress not merely some grievances, but an entire pattern of second-class citizenship.

Thus it is that our aggrieved countrymen have come to state their case in the largest forum our free society provides. They follow the path of countless others—from the par-

²⁰ Police Commissioner Michael J. Murphy, of New York City, on June 20, 1963, issued a public statement describing the responsibility assumed by the police of department he heads. In it he said: "The police are the representatives of the government—a government of laws, not men. The police have a sworn duty to enforce the law—impartially, objectively and equally. . . . They recognize and respect the right of the people to express their views on matters of public concern. The police will protect the rights of all to peacefully assemble and petition. They will brook no interference with these rights by anyone. Their impartial role is clear and set by law."

²¹ See dissenting opinions in *Felner v. New York*, 304 N.Y. 315; also, David Fellman, "The Constitutional Right of Association," pp. 29-33.

ticipants in the Boston Tea Party to the suffragettes and the trade unionists. They count on a core of humanity and decency in their fellow men to respond to a case that is well and forcefully stated. And, as their cause is just, so may we as confidently count on the Nation's ultimate response to be equal to it.

[From the Boston Herald]

PERSPECTIVE ON OLD RIGHTS

The American Civil Liberties Union's scholarly new pamphlet on the legal and historical justification of civil-rights demonstrations ought to be read by everyone who seeks an understanding of this extraordinary social phenomenon of our times.

Indeed, the pamphlet constitutes a whole new gloss on the treasured first amendment rights of peaceable assembly and of petition to the Government for redress of grievances.

Although the ACLU does not abandon its traditional role as a friend of the underdog, in no sense is its pamphlet onesided.

It acknowledges that the current demonstrations have at times exceeded the proper limits of the constitutionally protected right of protest, citing two cases in point—the July 4 demonstration at Jones Beach State Park in Long Island, where pickets blocked access by automobiles by lying across the highway, and the more recent demonstration against discrimination in construction trade hiring in Brooklyn, where pickets prevented persons from entering the site on their own business.

"Each of these (cases) violated legal protection of the public's right of movement and thereby exceeded the limits of constitutionally protected activity," says the pamphlet.

But even these demonstrations ought not to be condemned out of hand, the ACLU goes on to suggest. "We owe these persons acknowledgment that the discrimination they object to is itself a violation of law, more outrageous in these cases because the public's funds, and thereby a measure of official sanction, are involved."

America's heritage of public protest, the ACLU notes, is indeed a rich one, including such notable events as the Boston Tea Party.

"The Declaration of Independence," declares the pamphlet, "reminds us that this Nation came into being as an act of protest against discriminatory treatment of the Colonies by the British Government."

And the ACLU also points out the lack of either legal or moral justification in suggestions that demonstrations ought to be discontinued when they meet with violent disfavor.

"The courts," says the pamphlet, "have plainly declared that important constitutional rights, such as free speech and assembly and equal protection of the laws, cannot be curtailed because of apprehension that the exercise of these rights will result in riotous disturbances by lawless opponents. Means must be found to turn the forces of law and order to the protection of the demonstrators and to prevent violence by those who would attack them. There is no legal or constitutional right for other citizens to interfere with a public assembly."

[From the Baltimore Sun]

SPEECH WITH ORDER

The American Civil Liberties Union, widely respected for its vigilant constitutionalism, has come out with a statement on picketing and demonstrations. The statement refers obviously to current activities, but it draws on universal rules. The law of picketing and of demonstrations, arising from constitutional guarantees, was developed in the great labor surge of the early thirties and thereafter. The ACLU now applies this body of

¹⁵ 373 U.S. 284.

¹⁶ *Edwards v. South Carolina*, 373 U.S. 229 (peaceful protest on State capital grounds; *Rockwell v. Morris*, note 14, above; *Terminiello v. Chicago*, note 13, above (inflammatory speech which occasioned mob violence by opponents outside the meeting hall)).

¹⁷ 358 U.S. 1.

¹⁸ 358 U.S. at 16.

¹⁹ 163 F. 2d 877, 881.

doctrine as enunciated in the Supreme Court decisions to the current problems.

The gist of the matter is that picketing and demonstrations come under the first amendment protections of the right to speak and assemble. The Supreme Court has held that the picket's placard is as much a publication as a newspaper or a constitutional treatise, and privileged in the same degree. The demonstration, a merely more complex or massive form of picketing or assembly shares the same protections under the Bill of Rights.

But every right involves a duty, and the duties keep the rights from being absolute. Just as there is an individual or a group right to speak, to publish, to persuade, by picketing and demonstration, so there is what the ACLU calls "the public's right to movement." It goes without saying that the picketing privilege does not extend to violent attack; neither does it extend to the blockade, however passive, of public ways. (A demonstration like that scheduled for next Wednesday in Washington, arranged with the help of law officers, does not constitute blockade of public ways—if it proceeds as planned.) "Physical obstruction to the [public's] right of movement does not merit civil liberties protection," says the ACLU.

Well, then, can provocateurs compel the prohibition of picketing and demonstration by threatening to precipitate violence or obstruction? Not at all, says the ACLU: "The important constitutional right of protest cannot be abridged by the violent threats of lawless individuals opposed to the objectives of the demonstrators." The rule, after all, is not a complicated one: Speech and assembly will be protected, and so will law and order.

ANNIVERSARY OF HUNGARIAN REVOLUTION OF 1956

Mr. HART. Mr. President, October 23 marked the seventh anniversary of the Hungarian revolution of 1956. In the nature of things, time assuages bitter passions. We seem now to be progressing toward resumption of normal relations with the Hungarian Government.

This seems strange in the light of our bitter resentment at the time of the uprising's suppressions. Even so, there is wisdom in taking measures which must ultimately ease world tensions and lead to a less austere existence for the people of Hungary.

Taking this step is not condoning the 1956 attack on a virtually unarmed civilian population. It certainly is not an abandonment of concern and hope that the Hungarian people soon will win the personal freedom and national independence for which they fought so gallantly.

Mr. President, there are many thousands of persons—many now citizens of the United States—who fought in the Hungarian revolution and who were fortunate to be able to escape from Hungary. They fled from Hungary but not from a moral concern for the welfare and the future of their brethren whom they left behind.

During October, throughout the United States, these fighters for Hungarian freedom are commemorating the events and ideals of the Hungarian revolution of 1956. They will reaffirm their determination that the Hungarian people's

yearning for freedom shall not be forgotten.

Mr. President, I join with them in this desire.

SPECIAL TREATMENT FOR FILING OF DELINQUENT TAX RETURNS

Mr. WILLIAMS of Delaware. Mr. President, today I wish to call attention to another situation wherein this administration after finding a glaring violation of the law by one of its Frontiersmen allowed this individual merely to submit a quiet resignation and then promptly proceeded to brush the whole episode under the rug.

On August 14, 1963, Mr. Herbert K. May, Deputy Assistant Secretary of State for Inter-American Affairs, submitted his resignation, which was accepted by the administration with the usual profound regrets.

The record shows that Mr. May not only had a historical record of delinquencies in the filing of his tax returns but also had neglected to file any returns at all during the 8-year period 1953 to 1961. When this was discovered the only action taken was to allow him in 1963 to file returns retroactively for those delinquent years, 1953 through 1961, and then submit what as far as the public was concerned was an honorable resignation.

This is quite a contrast to what would have happened had this been an ordinary laborer or farmer without proper political connections.

Some explanation of this special treatment for this New Frontiersman should be forthcoming from both the Department of Justice and the Treasury Department.

At this point I ask unanimous consent to insert a letter dated October 3, 1963, signed by Mr. Mortimer Caplin, Commissioner of Internal Revenue, confirming this situation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. TREASURY DEPARTMENT,
INTERNAL REVENUE SERVICE,
Washington, D.C., October 3, 1963.

HON. JOHN J. WILLIAMS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: In response to your letter of August 21, 1963, there is shown below a summary of the income tax filing record of Mr. Herbert K. May for the years 1948 through 1962.

YEAR AND FILING RECORD

1948, timely filed.
1949, delinquent filed in 1951.
1950, delinquent filed in 1952.
1951, delinquent filed in 1953.
1952, delinquent filed in 1953.
1953 through 1961, delinquent filed in 1963.

1962, timely filed.
The district director in Baltimore, in whose office all of these returns were filed, reports that there are no outstanding unpaid assessments for any of these years.

I hope that this information satisfactorily answers your questions in the matter.

With kind regards,
Sincerely,

MORTIMER CAPLIN,
Commissioner.

SOME DIED

Mrs. NEUBERGER. Mr. President—

The average prescription costs a week's wages for these people * * * something they could not possibly afford. Some went without drugs * * * they had to stay sick * * * some died.

These words spoken by the Acting Health Minister of Colombia, Dr. Alberto Escobar, paid grim tribute to the efficiency of a fearsome campaign by drug companies, including leading American firms, to choke off the sale of low-cost drugs in Latin America. In a recent report from Caracas, Venezuela, and Bogotá, Colombia, published by the Herald Tribune, William Haddad furnished firsthand evidence of the guerrilla warfare currently being waged by a combine of American and Latin American drug firms.

The Colombian and Venezuelan Governments, troubled by the poverty of their people, have been attempting to stimulate the marketing of low-cost generic-name drugs. Last year the Colombian Government succeeded in enlisting the cooperation of a major American drug manufacturer, McKesson & Robbins. McKesson, in partnership with a Colombian drug firm, began to market some 76 drugs under their generic names at an average price one-seventh the prevailing prices for identical drugs under manufacturers' trade names.

What was the reaction of McKesson's fellow manufacturers? As reported in the Tribune, Herman C. Nolen, chairman of the board of McKesson, made the following charges:

Major pharmaceutical manufacturers refused to sell bulk materials for the low-cost drug program.

Doctors were advised that it was impossible to produce quality pharmaceuticals at the low prices.

Retailers were told by the drug industry that generics would bankrupt their business.

Medical journals in South America refused generic drugs ads and wrote critical editorials and stories.

Rival drug concerns opened up generic drug packages and contaminated the low-cost drugs.

Potential partners in South American countries were pressured to rebuff McKesson. In one country, a company interested in joining McKesson said it suddenly received a threat that all its insurance would be dropped and its bank credit cut off.

This is not a pretty picture of American free enterprise serving the needs of our Latin American neighbors.

Several weeks ago, I appeared on a panel for the National Committee for the World Health Organization together with Dr. E. Gifford Upjohn, chairman of the Upjohn Chemical Co. I welcomed the opportunity to solicit Dr. Upjohn's reaction to the charges being aired and I asked him to comment on the generic name program.

His reply, I regret, was sadly unenlightening. Dr. Upjohn stoutly objected "to have somebody steal the product which was developed on the basis of our research and start manufacturing it without any thought for the patent rights that relate to it."

Stealing what patent rights? Of the 76 drugs marketed under their generic names by McKesson & Robbins, only 1 was patented and for that 1 McKesson entered into an entirely valid licensing agreement.

Decrying "shortsighted political and economic interference," Dr. Upjohn stressed the need for profits to stimulate research. He found "particularly ominous" any proposals to "restrict trade names." He stated:

No industrial concern can afford to invest in research for the future if it cannot be assured of a reasonable commercial protection for the contributions it makes to scientific progress and to the superior quality of the products it produces; so it may make a reasonable return on its investment.

I know of no one in Congress who would deny to the drug companies "reasonable commercial protection," but I submit that it is not "shortsighted political interference" to question where reason ends and monopolistic price-fixing begins.

In this morning's Herald Tribune, Mr. Haddad cites newly unearthed evidence of intraindustry "commercial protection" so rapacious as to make the infamous international cartels of the 1930's blushing novices by comparison.

Mr. Haddad and his team have uncovered an astonishing assortment of documents from the files of the very companies involved, to prove the charges which he makes. Replete with secret codes, fictitious names, and a highly developed structure of price-fixing agreements, the image emerges of an industry which all but abandoned competition in the free market. He writes:

Experts who have reviewed the documents are convinced that the price structure of certain drugs widely marketed in the United States is based on international agreements. They believe that if the cartel were broken and a free market prevailed, U.S. drug prices would tumble.

McKesson & Robbins maintains, and it has no apparent reason to exaggerate, that it is now making a 20-percent profit on sales under its generic name program—and predicts a 25-percent margin by the end of the year.

The observer is forced to conclude that such profits are considered insufficient by McKesson's competitors, who, if the Tribune's charges are true, prefer to maintain the exorbitantly high prevailing price levels for drugs throughout the world by conspiracy, intimidation, threat, and boycott.

The acute allergy of American drug companies to price competition, calls for the most searching congressional scrutiny. The documents produced by the Herald Tribune team have now been placed in the hands of the Senate Antitrust and Monopoly Subcommittee as well as the Justice Department. I am confident that the subcommittee will address itself unstintingly to the task of restoring competition to this most vital of industries.

Mr. President, I ask unanimous consent that the Herald Tribune articles of September 29 and October 29, 1963, be printed at the close of my remarks, together with an outspoken and perceptive

editorial from the Oregon Statesman of September 18, 1963.

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Sept. 29, 1963]

DRUG WAR STAKE: DEATH

(By William Haddad)

CARACAS, VENEZUELA.—The pressure campaign to stop the sale of low-cost drugs in Latin America has spread from Colombia to Venezuela.

Biogen Laboratories here—one of the Nation's oldest drug manufacturers—joined with McKesson & Robbins in a plan to market 60 drugs at a fraction of prevailing rates and immediately ran into an industrywide boycott.

Venezuelan Government officials have full details of the secret meeting at which the boycott was proposed.

In addition, the College of Pharmacy (established by the Venezuelan Congress to represent the Nation's pharmacists) has compiled a sizzling account of drug company abuses including overbilling for raw materials, net profits declared in Venezuela as compared to those declared in the United States, true costs of promotion, producing and advertising and of the concerted efforts to keep prices high.

PRESSURE

The same pattern of pressure persists in Colombia, where—despite down-the-line denials by drug firms—the Herald Tribune research team found added evidence to support charges by McKesson's Board Chairman Herman C. Nolen, that a "malicious and concerted" campaign was being waged against his company to block the sale of low-cost drugs. The charges were first made during a secret session of the Foreign Relations Committee and revealed in the Herald Tribune.

The Senate Antitrust and Monopoly subcommittee has the task of investigating his charges. If the Senators went to Colombia this is what they would find:

A tenacious, determined President—Guillermo Leon Valencia—who told the Herald Tribune in an hour-long interview: "I'd rather lose my office than this campaign."

Is there—Mr. President—an organized campaign to block your program?

"I'm afraid such a campaign exists. It is an extremely dangerous campaign because it is a hidden one."

Down-the-line backing of Mr. Nolen's charges by the Ministry of Health.

"There is no doubt in my government's mind," Acting Health Minister Dr. Alberto Escobar said, "that a malicious, organized and systematic campaign is being waged against the program."

"It has frustrated our objective of getting low-cost drugs to the people."

Who's to blame?

"AFIDRO," he said—this is the Colombian drug manufacturers association which also represents the 15 U.S. companies who do approximately half of Colombia's drug business.

Industry sources flatly deny the charges, contending that the companies are not operating in concert, that any actions by any one are "spontaneous" and motivated "by individual needs."

What happens, Mr. Minister, if the campaign continues?

"If the drug companies continue their campaign, then the government will find the drugs somewhere even if we have to go into the manufacturing business ourselves."

America's friends are worried about the impact of possible U.S. intervention on behalf of the drug manufacturers. Listen to Alberto Lleras Camargo, former President of

Colombia; and one of the two former Presidents working to give "central direction" to the Alliance for Progress:

"If your Government does intervene for the drug companies, it could do serious damage to the Alliance."

U.S. drug companies are accused of "economic colonialism" because of a system used to withdraw money from Colombia. Investigating the charges, the Herald Tribune found that U.S. drug companies charge their wholly owned Latin American subsidiaries prices for raw materials far above the world market prices. This, Colombians charge, keeps the Latin American profits low and allows companies to take out their high profits in dollars.

For instance, on September 4, according to sworn invoices, the Colombian subsidiary was charged \$1,942 for raw materials selling for \$530 on the world market. Another case that day showed \$386.63 as the Colombian price and \$133 as the world price. Other examples on July 3: \$150 and \$29.50; \$8.50; and 74 cents; \$250 and \$72.75.

U.S. customs statements supporting the invoices bear the sworn legend that the prices are accurate.

Key medical journals won't accept McKesson's advertisements. One publishing source said: "If I accept their advertisements, I'd lose my other customers. It's better to have 40 ads than 1."

How do you know?

"Representatives of the drug industry just let you know."

SUSPENSIONS

Presented with this information—and two instances where medical journals had folded after accepting advertisements on the low-cost drug program—Mr. Anibal Fernandez, AFIDRO's articulate and dynamic executive secretary, said:

"If this were so the industry would be the first to condemn the practice."

Congresses sponsored by medical associations are underwritten by drug manufacturers. One carried an exhibit on the low-cost—organic—drug program. The president of the medical association received a call from the manager of an American drug company threatening to cut off all drug industry contributions if the exhibit was not removed. The doctor balked, demanded the threat in writing. That ended that, but today most medical congresses fail to carry exhibits on the generic program.

Human costs are high. Dr. Escobar said a survey was conducted at Samaritana's Hospital "in a very low income section of the city. We learned that the average prescription cost a week's wages for these people . . . something they couldn't possibly afford. Some went without drugs . . . they had to stay sick . . . some died."

A raging controversy persists over the "quality and potency" of low-cost drugs. To get a definite answer to that argument, the Herald Tribune went to Dr. Juan Jacobo Munoz, president of Colombia's College of Surgeons and chief of surgery at the National Cancer Institute. He said:

"When I remove a patient's adrenal glands, he can't live without a daily prescription of steroids. I prescribe the low-cost—or generic—drugs. You might say it is a test by fire. If the drugs aren't of the right potency or the right quality, the patient dies. None of my patients has died from this cause. Is that proof enough for you?"

Colombian Government charges that the industry is not cooperating in its generic drug program are hotly denied by manufacturers. They also deny a campaign exists among doctors and druggists. They dispute the Government claim that two markets exist: one for low-cost, or generic drugs, and the other for brand names. Most of all they say it's impossible for McKesson to be making a profit and selling at low prices. McKesson maintains it is now making a 20 per-

cent profit on sales and predicts 25 percent by the end of the year. This despite the fact that on the 76 generic drugs produced, the average price is one-seventh the prevailing price.

[From the New York Herald Tribune, Oct. 29, 1963]

HIGH STAKES IN LOW-COST DRUGS—SECRET CODE IN DRUG DOCUMENTS

(By William Haddad)

(Some drug companies are involved in an international plan to inflate prices. This agreement does not by any means involve the entire industry—but some top firms are involved. Here insiders, men who knew what went on, men who took part, tell their story to the Herald Tribune. They are willing to talk to Senate investigators. They will tell of secret codes, fictitious names, all the paraphernalia of a plot. These men—who worked for that segment of the industry involved in this international agreement—now feel a moral obligation to speak out. Here is their story.)

Secret documents of a worldwide cartel that rigs drug prices have been uncovered by the Herald Tribune and turned over to the Senate Antitrust Subcommittee.

The documents are also being studied by the Department of Justice.

Several U.S. pharmaceutical firms are involved. Their actions, however, should not be taken as an indictment of the entire industry, which, like any other industry, has its sharp operators. Involved with the U.S. firms are German and Italian companies. As a result of the cartel's activities, prices on some of the world's most important drugs have been kept unrealistically high.

Traditionally, drug manufacturers attribute the high cost of drugs to research expenses.

Among the papers is a secret code used to disguise price fixing and payoff communications. Fictitious names, decoded, become drug names: "Pluto" becomes the manager of a U.S. firm overseas, a "sinner" denotes a person who had dared to depart from price-fixing agreements.

A "disturbed family," in the code, refers to a price-cutting situation and a "powwow" is a price-fixing meeting.

When decoded an innocuous-looking letter containing high personal references and a sprinkling of company names becomes a startling document on price fixing.

The papers were obtained by the Herald Tribune from several sources. The information in them dovetails. In one situation, the separate files of two companies arguing over a "disturbed family" situation are included.

Named in the papers is a score of senior executives of major U.S. drug companies.

Experts who have reviewed the documents are convinced that the price structure of certain drugs widely marketed in the United States is based on international agreements. They believe that if the cartel were broken and a free market prevailed, U.S. drug prices would tumble.

A competitive market, however, is the last thing the drug manufacturers mentioned in the secret documents want.

In Venezuela, for instance, in a case dating from 1958, when an ambitious sales manager of a U.S. subsidiary, eager to impress his superiors with increased sales, began to offer discounts to a large drugstore chain, he triggered a violent chain reaction on three continents.

The manager's actions forced another U.S. company to cut prices to its large accounts to regain the edge lost to the first company.

The "enforcer" for a third U.S. company, the documents show, began wiring and writing its New York home office for help, urging the company's top executives to see executives of the other firms to keep the competition from competing.

The records show that the executives met in New York and tried to restore order in the "disturbed family." Similar meetings were held by the foreign and U.S. companies in Venezuela.

The international operation is vividly spelled out in one letter from the "sinner" to his home office in New York:

"Yesterday afternoon we (name of drug) distributors had a meeting in the offices of (a U.S. company), to talk once again about the prices of these products."

At the meeting were several U.S. firms, the Germans and the Italians. Together, they represented all the producers of a major and widely used drug.

"At this meeting," the letter continued, "we were accused of not having adhered to the agreement which, according to them, we had made in October of last year with respect to these products."

"This agreement . . . had applied solely to the presentations of the pure drug which, at that time were the only ones in the market, and had not applied to the newly developed derivatives."

"Furthermore, we, for our part, had always accepted that each of the firms would deposit with a bank, in favor of the other firms, a check for 25,000 bolivares, which would become effective in case any one of the firms were to violate the agreement."

"The purpose of arriving at that agreement was to equalize the list prices of all products, and we did so in almost all cases, with small exceptions."

ON THE CARPET

The letter concluded with this explanation:

"I am telling you all this for your cognizance and also asking that you let Mr. _____ (a top U.S. executive) know so that he may be informed of the present price situation . . . to enable you, in case (the "enforcer") tells you that we are fooling around with prices, to answer them immediately that we have at no time lowered the prices."

Order was temporarily restored after several meetings at a hotel in New York, but sporadic trouble continued to break out, causing the "enforcer" to write his home office superiors that the "sinner" had destroyed "mutual confidence" and should be reported to his company.

A year later, when the "sinner" was called on the carpet again for cutting prices to large customers, he reacted violently:

"I will not make any 'fuss' nor will I fight with anybody, but simply return to the independent policy which I maintained in the past, without agreements or such nonsense."

This triggered another set of international meetings. When they were over, the "enforcer" reported the results to his New York office:

"We convoked a powwow (with all the major U.S., German and Italian firms) present."

"During the powwow it became evident that a U.S. company was engaged in a price-cutting scheme . . . It also became evident that another U.S. firm (the "sinner") had followed suit without consulting the remaining partners" (those companies present at the meeting).

The report described the price-cutting sales manager in these words:

"(He) wants to become a branch manager and to this end is trying to prove to his superiors that he can sell lots, while lacking in managerial training and experience that would show him that such methods can be disastrous to the profit-and-loss statement."

SOURCE OF PROFITS

In other words, profits come from the rigged prices, not from increased sales.

The report continued:

"During the powwow the previous confidence was restored and it was said and agreed, 'Let's try again.'"

"The stubbornness of a disturbed family was, as usual, the cause of it all."

The report was signed: "Pluto."

In another case, the U.S. producers of an important drug fixed a high import price on their product shipped to a third country in anticipation of the foreign government's plan to set a price ceiling based on import costs.

Through laxity, the German and Italian producers of the drug had failed to take similar precautions.

For the U.S. companies, this presented a serious crisis, for it would expose their exaggerated price structure. Hurried meetings were held and in a report to New York the fear and the dilemma were vividly pictured:

"If we go down to the lowest competitive level, how could we explain then our previously submitted costs? And how could we afford to have from the States billing prices much lower than the ones used at stateside with the U.S. Government? If we do not go down, how can we sell?"

Their natural answer: Get the Germans and Italians to raise their prices and give up the market. After several international meetings, a key New York executive got this report:

"Both the representatives of the Italian and German companies were very well aware of the great danger . . . each of us (the four U.S. companies present at the meeting) made our contributions as to what will happen should the Government establish percentages for the distributors, wholesalers and retailers on such rockbottom prices. There will be not a penny left for promotion, advertising, overhead, etc. The (German) was willing to jack up his prices to more or less our levels and so were (the Italians)."

"We are all very hopeful that an agreement be reached otherwise (we) anticipate a price war. And I am not only concerned about this country, but I fear that these extremely low prices in this market will have a repercussion in other countries."

The pact was arranged.

Many such cases are outlined in the documents now in the hands of the Senate subcommittee and the Justice Department.

The role of the Senate subcommittee is clear: Legal authorities have told the Herald Tribune that many of the activities mentioned in the documents may not be illegal under existing antitrust laws. The subcommittee has the responsibility to determine if new laws are needed.

Those activities which are clear violations of the antitrust laws fall into the realm of the Justice Department.

[From the Oregon Statesman, Sept. 18, 1963]

DRUG WAR ON M. & R.

The largest drug wholesaler in the United States is McKesson & Robbins. When in 1962 Colombia invited all major drug firms to participate in a program of selling drugs under their generic names instead of their trademarked names, McKesson & Robbins was the only firm which offered to participate. It bought a half interest in a Colombian drug manufacturer and began to sell 322 drugs at dramatically low prices. As reported in the New York Herald Tribune: "an antibiotic used in treatment of respiratory infections and typhoid sold for 3.6 cents per capsule, compared with the trade name product that sold for 29 cents. An arthritic was able to buy a month's supply of prednisone for \$2 instead of the \$16 it had cost before."

When McKesson & Robbins offered to carry the program to other Latin American countries it found its way was blocked. And the established drug industry in Colombia retaliated by appeals to the drug industry of the United States, which interceded with the State Department.

What later developed, according to the complaint of McKesson & Robbins, was that

the drug industry began to "gang up" on this firm. Its action in Colombia touched off a "huge commercial war to stop the sale of low-cost, lifesaving drugs, some at prices one-tenth the prevailing rates," in the language of the *Herald Tribune*, which has featured the controversy in a series of articles. The board chairman of M. & R. testified before the Senate Foreign Relations Committee that certain pharmaceutical manufacturers refused to sell them raw materials useful for the generic drug program.

The late Senator Estes Kefauver, who had conducted a series of hearings which revealed the pricing practices of pharmaceutical houses, wanted to have the committee investigate the McKesson & Robbins charges, but lacked support from his committee. After the case received publicity in the *Herald Tribune*, Senator PHIL HART, Kefauver's successor as chairman of the Senate Antitrust and Monopoly Committee, got committee approval for a closed door investigation. When that is completed the committee will decide whether to conduct public hearings on the matter.

The plea of the concerns hostile to the M. & R. program is that the practice invades patent rights, but M. & R. say they pay appropriate royalties on patents. Another objection is that cut rating dries up funds for research. That, however, would not justify boycotting of M. & R., which is willing to pay going prices for raw materials.

The American drug industry's alarm is partly over loss of some lucrative markets abroad but also the threat of loss if sale of drugs and pharmaceuticals by generic names becomes common in America, where exclusive trade names permit higher markup.

The pharmaceutical and drug industry of the country is quite cohesive. The wonder is that McKesson & Robbins was willing to go it alone on the Colombia deal. That it has complained to the Government shows that it must have been under heavy pressures. Presumably its competitors now call it a traitor to the club.

Let the investigation proceed. Let it be thorough, giving all the parties a chance to testify, M. & R. in support of their charges and their policies, the regulars in support of their practices. But if there is such a price spread between drugs marketed under generic names and those marketed under trade patented names, why don't American houses go into selling under generic names?

THE COOPER-ERVIN JUDICIAL REVIEW AMENDMENT TO THE HIGHER EDUCATION BILL—H.R. 6143

Mr. ERVIN. Mr. President, the first amendment to the Constitution of the United States provides that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

History makes it crystal clear that the Founding Fathers drafted and ratified this constitutional provision to erect "a wall of separation between church and state"; to secure to every man the right to worship God according to the dictates of his own conscience; and to outlaw forever the congressional appropriation of tax-raised funds for the direct or indirect support of any and all religious institutions and their activities.

As the late Justice Robert H. Jackson so well declared in the *Everson Case* (330 U.S. 22, 26):

One of our basic rights is to be free of taxation to support a transgression of the constitutional command that the authorities "shall make no law respecting an estab-

lishment of religion, or prohibiting the free exercise thereof." * * * This freedom was first in the Bill of Rights because it was first in the forefathers' minds. It was set forth in absolute terms, and its strength is its rigidity. It was intended not only to keep the state's hands out of religion, but to keep religion's hands off the state and, above all, to keep bitter religious controversy out of public life by denying to every denomination any advantage from getting control of public policy or the public purse.

Four times in the past 16 years, namely in the *Everson Case*, the *McCullum Case* (333 U.S. 203), the *McGowan Case* (366 U.S. 420), and the *Torcaso Case* (367 U.S. 488), the Supreme Court of the United States has expressly declared that the first amendment means at least these things:

Neither a State nor the Federal Government can set up a church. Neither can pass laws which aid one religion, aid all religions, or prefer one religion over another. Neither can force nor influence a person to go to or to remain away from church against his will or force him to profess a belief or disbelief in any religion. No person can be punished for entertaining or professing religious beliefs or disbeliefs, for church attendance or nonattendance. No tax in any amount, large or small, can be levied to support any religious activities or institutions, whatever they may be called, or whatever form they may adopt to teach or practice religion. Neither a State nor the Federal Government can, openly or secretly, participate in the affairs of any religious organizations or groups and vice versa. In the words of Jefferson, the clause against establishment of religion by law was intended to erect "a wall of separation between church and state."

It is obvious that the Federal Government would be aiding religious educational institutions and using tax moneys for their support and participating in their affairs if it makes grants or loans to them under the provisions of H.R. 6143. Indeed, the proponents of the bill virtually admit this to be true by section 2, which asserts that the bill is to be passed to assist the colleges and universities eligible to receive benefits under it.

The fact that the bill provides, in substance, that the grants and loans authorized by it are to be used for the construction of classrooms, laboratories, libraries, and related facilities for instruction or research of a secular nature is immaterial.

The first amendment forbids the Federal Government to grant support to religious educational institutions. It does not merely prohibit Federal support of the religious activities of religious educational institutions. It prohibits aid to their secular activities as well. Consequently, Congress cannot divorce religious activities of a religious educational institution from its other activities and support the latter.

This is made plain by statements in the *Everson Case*—pages 33 and 46-47—the *McCullum Case*—page 212—and the *Zorach Case*—343 U.S. 306, page 314—that Government cannot aid or support the blending of secular and religious instruction. By this it is meant that the Federal Government cannot support a college or university which offers both secular and religious instruction. This is made crystal clear by Justice Douglas in his concurring opinion in the *Abing-*

ton School District Case, which was handed down on June 17, 1963. See pages 3-5. I quote the words of Justice Douglas:

The most effective way to establish any institution is to finance it, and this truth is reflected in the appeals by church groups for public funds to finance their religious schools. Financing a church either in its strictly religious activities or in its other activities is equally unconstitutional, as I understand the establishment clause. Budgets for one activity may be technically separable from budgets for others. But the institution is an inseparable whole, a living organism, which is strengthened in proselytizing when it is strengthened in any department by contributions from other than its own members.

Such contributions may not be made by the state even in a minor degree without violating the establishment clause. It is not the amount of public funds expended, as this case illustrates; it is the use to which public funds are put that is controlling. For the first amendment does not say that some forms of establishment are allowed, it says that "no law respecting an establishment of religion" shall be made. What may not be done directly may not be done indirectly lest the establishment clause become a mockery.

Millions of Americans share the conviction that the making of grants and loans of tax-raised moneys to religious colleges and universities violates the first amendment.

Unfortunately, however, there is grave doubt as to whether or not these millions of Americans can obtain a judicial determination of the question of the constitutionality of such grants or loans to colleges and universities owned or controlled or operated by religious denominations.

When it advocated the passage of a bill authorizing Federal aid to institutions of higher learning before a House committee several years ago, the Department of Health, Education, and Welfare admitted this to be true. The fear that existing Federal procedures bar a court test in cases of this nature arises out of certain statements made in *Massachusetts v. Mellon*, 262 U.S. 447. See pages 486-489.

When H.R. 6143 was under consideration by it, the Senate adopted the so-called Cooper-Ervin Judicial Review Amendment conferring upon the U.S. District Court for the District of Columbia jurisdiction to determine the constitutionality of specific grants or loans which the Federal Commissioner of Education may propose to make to specific institutions under the terms of the bill.

Under this amendment, any taxpayer can bring a suit in behalf of himself and all other taxpayers against the Federal Commissioner of Education in the U.S. District Court for the District of Columbia to determine the constitutionality of the specific grants or loans which the Commissioner may propose to make. The amendment restricts jurisdiction of such cases to the U.S. District Court for the District of Columbia in order to make it certain that the Commissioner will not be harassed by suits in all areas of the United States. It prevents a multiplicity of trials of such suits in the U.S. District Court for the District of Columbia by providing that if two or

more actions are brought to test the validity of the same proposed grant or loan, the U.S. District Court can consolidate all such actions for the purpose of a single trial and judgment. It provides, in substance, that the action must be brought within a limited period of time specified by the Commissioner himself. It prevents any injury to any applicant for a grant or loan by specifying that when an action is brought to test its validity, the Commissioner shall hold the amount of the proposed grant or loan in escrow until the case is determined.

The Federal Commissioner of Education can obtain a speedy review by the Supreme Court of any judgment adverse to him which may be entered in the U.S. District Court for the District of Columbia. This is true because a direct appeal would lie from the U.S. District Court of the District of Columbia to the Supreme Court of the United States under the provisions of section 1252 of title 28 of the United States Code.

The procedure established by the amendment is unlike the procedure invoked by the single taxpayer in the Mellon case. Since the taxpayer suing under the amendment sues in behalf of himself and all other taxpayers, he asserts an interest sufficient to require the court to entertain jurisdiction of the case. Moreover, the amendment does not authorize a challenge to any appropriation made by Congress. It merely affords a means of challenging upon constitutional grounds only administrative action which the Federal Commissioner of Education may propose to take in respect to a specific grant or loan to a specific college or university.

When all is said, there is no reasonable basis for objection to the Cooper-Ervin amendment. Congress ought to legislate in constitutional light, and not in constitutional darkness. The amendment will enable Congress to obtain a speedy answer to the question whether or not Congress is exceeding the power it possesses under the Constitution when it undertakes to authorize grants or loans of tax-raised moneys for construction purposes to colleges and universities owned, or controlled, or operated by religious denominations. If the Court should adjudge that congressional grants or loans of this character do not violate the Constitution, its decision would remove the basis for any constitutional objection to them. But if the Court should adjudge that grants or loans of this nature do violate the Constitution, then such grants or loans ought not to be made by a Congress whose Members are bound by a solemn oath or affirmation to uphold all of the Constitution, including the first amendment.

Congress cannot assume that it will obtain an answer to this constitutional question in a suit now pending in the State courts of Maryland, which challenges the validity under the first amendment and the Maryland constitution of certain grants or loans of State funds to certain religious colleges in Maryland. This is true because the Maryland court may emulate the examples set by other State courts in recent years, which have adjudged State grants to religious schools

unconstitutional under State constitutions and laws without considering the first amendment at all. This happened in the following cases:

Matthews v. Quinton (Alaska), 362 P. 2d 932;

Silver Lake Consolidated School Dist. v. Parker (Iowa), 29 N.W. 2d 214;

McVey v. Hawkins (Missouri), 259 S.W. 2d 927;

Zellers v. Huff (New Mexico), 236 P. 2d 949;

Judd v. Board of Education of Union Free School Dist. No. 2 (New York), 15 N.E. 2d 576;

Dickman v. School District No. 62C (Oregon), 366 P. 2d 533;

Haas v. Independent School Dist. No. 1 of Yankton (South Dakota), 9 N.W. 2d 707;

Visser v. Nooksack Valley School District No. 506 (Wash.), 207 P. 2d 198; and

State v. Nusbaum (Wisconsin), 115 N.W. 2d 761.

Be this as it may, the Cooper-Ervin amendment deserves the support of all Senators and Congressmen who believe in the rule of law. This is true because a constitutional or legal right is without value unless there is a procedure for its enforcement. Certainly Congress ought to make it clear by retaining the Cooper-Ervin amendment in H.R. 6143 that it is unwilling to nullify the first amendment, and that American citizens can challenge the constitutionality of congressional grants or loans of tax-raised moneys to church owned, controlled, or operated colleges and universities in the Federal courts, which are vested with the judicial power of the Federal Government.

If Congress fails to do so, it will necessarily engender in the minds of millions of Americans the conviction that it is unwilling to have its constitutional power under the establishment of religion clause of the first amendment subjected to judicial determination.

GEORGE HARTZOG AND THE OZARK RIVERS

Mr. SYMINGTON. Mr. President, an editorial appeared in the St. Louis Post-Dispatch for October 18, 1963, commenting on the good news that George B. Hartzog, Jr., is to be the next head of the National Park Service. The editorial notes the close acquaintance Mr. Hartzog has had with St. Louis and with the Missouri Ozark streams. It also comments that Mr. Hartzog will be especially suited to oversee the development of the Ozark Rivers into a protected and preserved area should the Ozark River bill, which has now passed the Senate, also successfully pass the other body.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the St. Louis (Mo.) Post-Dispatch, Oct. 18, 1963]

GEORGE HARTZOG AND THE RIVERS

It was a happy coincidence, and perhaps a significant one, too, which brought on the

same day the news that George B. Hartzog Jr., is to be the next head of the National Park Service and that, by unanimous vote, the Senate Interior Committee approved the Ozark bill.

Mr. Hartzog made admiring friends in St. Louis by his perseverance and enterprise while in charge of the development of the riverfront national park. In that time he also became a good St. Louisan. In fact, once assured of the completion of the Gateway Arch, he left the Federal service to settle here as director of Downtown St. Louis, Inc. Secretary of the Interior Udall persuaded him to return for a brief "breaking in" and then promotion to the superintendency of the Park Service.

It was as a St. Louisan that Hartzog became enthusiastically addicted to the beauties and the pleasures of the Current and the other fast-running Ozark streams. If the Senate, at the urging of Senators SYMINGTON and LONG, passes the rivers bill, and if the House follows this example next year—and there is good reason to believe that it will—Missourians will be assured of the presence in Washington of a man who knows their precious streams and who will guard them as they must be guarded for posterity.

WATER RESOURCE PROBLEMS ARE INTENSIFIED—ADMINISTRATION AND CONGRESS SHOULD RESPOND WITH AFFIRMATIVE ACTION—PUBLIC WORKS ARE NEEDED

Mr. RANDOLPH. Mr. President, our Nation's water problems must have priority consideration. That these problems are being neglected is a tragedy. Earlier this year many communities were the victims of devastating floods. Now, substantial portions of our country suffer the dire consequences of prolonged drought.

Flood control and water supply requirements in the United States must not be sacrificed in the interest of any other objective. We have made some progress but not enough.

It is my judgment that we should demonstrate a dedication to the water resource problems and needs of our citizens in a degree at least equivalent to our dedication to such programs as space exploration, nuclear power subsidization, military assistance abroad, and foreign economic aid.

Mr. President, unless this Congress acts promptly, progressively, and effectively on programs to solve the Nation's water problems we will fail to meet the challenge. And the history of this deficiency doubtless will record loss of human life, vast damage, and destruction of public and private property, and a stunting of the national economic growth potential, due to flood, drought, and fire.

This is not a new declaration on my part. I am repeating and emphasizing an urgent appeal made on October 21, 1963, in telegrams to the President of the United States, to the Vice President of the United States, and to the majority leaders and majority whips of the Senate and the House.

In those communications to the executive and legislative leadership, the view was expressed that although flood control and water storage project authorizations and appropriations should be

expedited, we see delays and stalemate prevailing in the legislative process.

I urge now, as in my messages to the leadership, that we make legislation concerning water resources items of high priority in the Congress—and at once. I am hopeful for these actions and affirmative results:

First. That there will be a minimum of additional delay in taking to a House-Senate conference a vitally needed measure to extend river basin development authorizations, as well as to authorize other multipurpose water projects on which there have been adequate hearings. We of the Committee on Public Works strongly support the position of our distinguished chairman, the senior Senator from Michigan [Mr. McNAMARA] that neither the Senate nor the House has a right to refuse to confer with the other on differing versions of the same measure. After a bill has passed both bodies—with one having amended that of the other—there is the obligation to confer. There is the additional obligation of the conferees to work diligently and in good faith and in the best public interest, to the end that they will bring forth a report—not a stalemate.

Second. With the fiscal year already a quarter gone, it is vital that flood control authorizations be finalized and that there should promptly follow affirmative action on fiscal 1964 appropriations necessary to finance flood control and navigational aid projects for which appropriations hearings have been held. I congratulate the senior Senator from Louisiana [Mr. ELLENDER] and his associates of the Public Works Appropriation Subcommittee. They have performed a significant service in compiling a thorough record of hearings on many vitally important water resource projects in need of financing. I am privileged to be an ex officio member of the subcommittee presided over so capably and conscientiously by Senator ELLENDER, and I am cognizant and appreciative of the diligence with which he patiently builds the record through long hours of hearings. As a consequence, I believe the Senate would be ready to act intelligently on reasonably short notice on any fiscal 1964 civil works appropriations bill sent to this body by the other.

Third. In addition to the major flood control and navigational aid projects under the direction of the Army Corps of Engineers, there are many other vitally needed water resource development and utilization projects at the community level which need assistance. And this is an area in which the accelerated public works program is invaluable. In a protracted drought season such as much of the country has been experiencing, the water shortage and water system deficiencies of many communities have been accentuated and have become emergencies—in many instances acute emergencies with adverse health and inadequate fire protection implications. Because of their economic plight and status, these APW-eligible communities come to special attention through applications they file under provisions of the Public Works Acceleration Act of

1962. I point out, Mr. President, that a number of eligible West Virginia communities with serious water shortage problems or inadequate or outmoded water distribution systems cannot obtain the Federal assistance they need to correct their situations because the APW funds appropriated have all been obligated or programed for obligation. This applies with respect to numerous eligible communities of other States, too.

The communities to which I make reference can do little, if anything, under the regular water pollution control and/or community facilities programs to solve the problems of their water supply and sewerage deficiencies. They cannot meet the problem totally under the loan programs because they cannot develop financially satisfactory loan applications and supporting papers. The acute problems of these communities persist—even grow worse—while they fail to qualify under the loan programs and cannot obtain grants because funds are not available. Their water supply sources are either dried up or unsafe from the public health standpoint; they continue to have unemployment at rates which make them eligible under the APW Act; and among their other needs for water supply and distribution assistance is the vital one of water quantity and pressure sufficient for fire protection purposes. We have communities in West Virginia where a single fire probably would create a huge conflagration of homes, educational institutions, and commercial and industrial establishments. We have other communities which need both residential and industrial water systems, and in one instance an establishment employing 225 persons may be forced to close unless the community can obtain and operate a water system. In view of these conditions there should be expeditious appropriation on an emergency basis of the remaining \$50 million authorized, but not yet appropriated, under the Public Works Acceleration Act of 1962. I urge in this instance that such funds—even though vastly inadequate when compared with the total needs—be earmarked for helping local communities eligible under the act to finance critically required water supply projects.

Fourth. The need for and the validity of the \$900 million program authorized by the Public Works Acceleration Act of 1962—for which \$850 million have been appropriated—continue to be present. There remain too many areas of chronic labor surplus—too much unemployment. There remain too many unmet, but vitally important, public facility and public improvements needs in numerous communities eligible under the APW Act.

The job opportunities provided and the economic stimulation stemming from acceleration of public works are sound reasons for continuing the program, and there is added the fact that the projects provide permanent or long life and useful public improvements and facilities. The communities eligible under the act need assistance to provide employment on APW program projects; otherwise, they would not be eligible.

We are informed that funds appropriated under the original authorization have been obligated or programed for

obligation. There remain hundreds of millions of dollars worth of approvable applications from communities where the job opportunities, economic stimulation, and improvements or facilities to be provided by the projects are vitally needed. I urge, therefore, that there be action to authorize, and appropriations to finance, extension of public works acceleration, especially for projects in which local government bodies will share in the costs. And I would urge, also, that priority status be declared for water supply and sewage system projects, but I am not suggesting that an extended APW program be limited exclusively to water projects.

Mr. President, it is unnecessary that I speak in this forum of the importance of water; nor is it necessary that detail be used concerning water overabundance in flooding and water shortage in drought periods. There is general knowledgeability on these conditions.

It is time for Congress to return priorities to the fundamentals—land, wood, water, and the fossil fuels of the earth on which we live—and to the earthly problems of people, peace, and prosperity.

Conversely, I believe we should place less emphasis and invest less of our available revenue and debt commitment to outer space, to vehicles to destroy mankind, to misused military assistance abroad, and to nuclear power giveaways.

I renew in this forum the urgent appeal made to the White House and to leaders of both bodies of Congress that high priority be given to acceleration of public works and to flood control and other programs and projects intended to help solve the Nation's water problems.

The cause is real. The task is an imperative one.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 7885. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. HUMPHREY. Mr. President, I shall address myself today to a certain portion of the foreign aid bill, commonly referred to as the Alliance for Progress.

I should like to discuss today the most important part of the foreign aid bill which is before the Senate for consideration this week. I refer to our assistance to Latin America through the Alliance for Progress. It is through our participation in the Alliance for Progress that we extend aid to the area described by President Kennedy as "the most critical area in the world."

I agree with President Kennedy's analysis of this area. It is the most critical. Therefore, it requires the most thoughtful consideration and attention during this debate. While there may be differences of opinion expressed by Members of the Senate, I am confident, as was said earlier today by the senior Senator from Oregon [Mr. MORSE] that we have the same objective, namely, to make the Alliance for Progress an effective and vital instrument of American policy for the improvement of political, economic, and social conditions in the Western Hemisphere.

The aim of the Alliance for Progress, as defined in the Declaration of the Peoples of America which precedes the Charter of Punta del Este, is to "unite in a common effort to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and political liberty."

The main objective must never be lost sight of. We need constantly to keep in mind that we are striving for accelerated economic progress, that we are seeking to bring about broader social justice, and that we are striving to do all this within the framework of personal dignity and political liberty.

Therefore, we have deplored developments such as military coups and also developments which have indicated a tardiness or slowness in the fulfillment of projects and programs.

I will not elaborate here on the conditions and circumstances which stimulated President Kennedy's call for a new "Alliance for Progress" in this hemisphere and which inspired 20 American republics to subscribe to the Alliance program in the Charter of Punta del Este. These conditions are well known. Briefly stated the Alliance for Progress was called forth by the shocking economic and social inequality between privileged and impoverished, between glittering capitals and festering slums, between booming industrial regions and primitive rural areas. The Alliance is a response to the revolutionary challenge of an unjust social order, a social order in which true peace—peace based on justice—is impossible.

At this time, as the Senate considers the annual authorization bill for the foreign aid program, I would like to offer a brief appraisal of the Alliance for Progress as it looks to one U.S. Senator after 2 years of operation.

I have visited most of the countries in Latin America. Not only have I visited them; I have worked in them, in an effort to understand more clearly and fully the social and economic conditions that prevail in those countries, and to observe the political forces at work. I have been in close contact with the officers of this Government—ambassadors, members of diplomatic missions, and mission direc-

tors of our AID program and the Alliance for Progress program, and with USIA officials and others. I have done this in an attempt to gain a better understanding of what the United States is doing in Latin America and to observe at first hand how this great cooperative endeavor of mutual assistance between the United States and its sister republics to the south is progressing.

I emphasize once again that the Alliance for Progress is not merely a U.S. program; it is basically a program in which the efforts of the republics to the south—the Latin American countries—will be the major effort, and ours will be a supplemental or auxiliary effort. However, the sense of inspiration and political dedication to the principles of democratic government must come from the United States as well as from the countries we seek to help.

On the second anniversary of the Alliance, which we celebrated last month, we heard repeated cries of desperation, doom, and despair about the fate of the Alliance. I wish to go on record as saying that I do not share this judgment of pessimism and gloom. I am fully cognizant of the difficulties. I do not approach this discussion or debate with the feeling or attitude that all is well. I approach the discussion knowing that we have only begun our effort; that a brief and faltering start has been made; but that at least a start has been made. We are beginning to show signs of progress, and I do not want to see the beginning we have thus far accomplished lost because of frustration or because of unhappiness about the pace of events.

My own conclusion today remains approximately the same as stated in the opening sentence of the "Report on the Alliance for Progress" that I wrote and issued in March of this year:

In terms of where it was a year ago, the Alianza para el Progreso has taken a giant leap forward. In terms of where it has yet to go, it has taken only a short faltering step.

I should like to elaborate on this conclusion in terms of: First, what we have learned in the past 2 years; second, what we have accomplished; and, third, what remains to be done.

I remind Senators, as we discuss the benefits of foreign aid, that we are discussing a program that is at work in some of the most difficult areas of the world. It was one thing to work with Western Europe, where there was a body of citizenry who were highly knowledgeable in the areas of industry, agriculture, and science; where there was a high rate of literacy; and where there was industrial know-how. All we needed to do in that instance was to supply capital and a modest degree of technical assistance, and also to supply faith and confidence. We did that under the Marshall plan, and the results were miraculous.

Now we are working in areas of the world where there is little or no managerial skill or know-how; where industrial development is at a minimum; where agricultural development is actually primitive; where the rate of illiteracy is staggering; and where disease and poverty are the pattern of the day.

I submit that in conditions like those it is difficult to have a good record of accomplishment, at least when that record is compared with the record of development in Western Europe.

We have been subject to many frustrations. We have had to condition ourselves to many disappointments. This is not to excuse bad administration; neither is it to be interpreted as an excuse for poor planning or for a failure to keep our commitment to the objectives that we say we support. I merely wish to put the foreign aid discussion in a proper frame of reference. We are now, in the main, talking about the foreign aid program as it is directed toward areas of the world that, regrettably, are backward technically and scientifically; that have a short supply of skilled manpower and an inadequate number of trained public administrators. We are talking about an area of the world that is in an explosive situation in terms of political and social developments.

It is because I feel this way that I speak today not on behalf of every feature of the foreign aid program but also of the concept and purpose of foreign aid as an essential part of our total program of national security. I want to be clear on this point. There will be, as there have been, statements and speeches made in this body and in the other body that are critical of foreign aid. With some of that criticism I agree. It is our duty during this debate to try to improve the administration as well as the substantive framework of legislation relating to foreign aid. I look upon certain amendments that have been suggested as highly desirable. I voted for some amendments in the Committee on Foreign Relations that I intend to vote for once again on the floor of the Senate. So I do not want my remarks to be interpreted as a carte blanche approval of everything that the administration has requested or of everything that has been done. I want my remarks to be interpreted as a thoughtful appraisal of the foreign aid program as it relates to our overall national objectives and our overall national security effort. I believe that this debate, if we will but participate in it, if we can have an honest discussion about the differences that we hold, can do much to put foreign aid, as a Government policy and a good Government program, on a much better footing and give it much better support in Congress and among the public.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield to the Senator from New York.

Mr. JAVITS. I wish to express to the Senator my own satisfaction at having joined with him in the memorandum to editors throughout the country, a memorandum which is on the desk of every Senator. It seeks to sum up the case for foreign aid. I assume that in due course the Senator will have it placed at the proper point in the Record.

Mr. HUMPHREY. I did that on behalf of the Senator from New York and myself as of yesterday.

Mr. JAVITS. I thank the Senator. One of the things I should like to stress

is the emphasis on the private economy in all its phases in the carrying out of the foreign aid program. I know the Senator from Minnesota feels keenly about this. It should be a matter of considerable satisfaction to the country that together, in a bipartisan way, we will endeavor to implement that particular commitment effectively. I know how seriously the Senator feels about the obligations he undertakes. I think this should be an important item of consideration in the whole foreign aid program. A number of Senators, including the Senator from Minnesota and myself, will join, in the most purposeful way, in seeing that a great part—as great a part as is humanly possible—of the foreign aid program is carried on the shoulders of private enterprise, where it should have been so, these many years.

Mr. HUMPHREY. I agree. I again commend the Senator from New York for his inspirational and personal leadership in the formulation of the private enterprise effort known as ADELA, which relates to private development in the Latin American area. I have been associated with the Senator from New York in this effort. I believe we have made some progress.

Mr. JAVITS. We have made great progress.

Mr. HUMPHREY. We have attempted to arouse greater interest on the part of the private economy of the United States and Western Europe in Latin America. We are seeking to promote investment in that area by the private sector of our economy and that of Western European countries, as well.

It is my view that without greater participation by the private sector of the economies of the United States, Canada, and Western Europe and without greater participation by the private individuals in Latin America, we shall not be able to succeed. Therefore, the words of the Senator from New York are most appropriate; and he can be assured of my faithful and, I hope, my helpful assistance.

Mr. JAVITS. It is most helpful; and I am very grateful to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, much of the premature pessimism about the Alliance results from an underestimation of the magnitude of the task and from false expectations about what could be achieved in a brief period of time. Today, we are well aware that nostalgic recollection of the dramatic success of the Marshall plan in restoring economic and social vitality to the war-ravaged, but highly advanced, modern societies of Western Europe should not delude us. We are aware, as I have stated, that this European experience does little to illuminate the path to speedy economic and social development in underdeveloped areas in Latin America. The reform and modification of social and economic traditions that have persisted for two centuries are not going to be accomplished in 2 years—and probably not in a decade. It should be understood by now that the Alliance for Progress has just begun. We have had 1 year to prepare for it and 1 year of actual operation. It is premature to

pronounce any definitive judgment on its success or failure; but it is fair to say that it has had, and is making, a beginning.

Among the more difficult lessons which had to be learned during the first 2 years, none proved more difficult than the fundamental truth outlined in the Alliance charter—namely, that the Alliance is not just another U.S. aid program. Rather, it is, as I have said, a cooperative endeavor by 19 Latin American countries and the United States to enjoy more fully the cultural, spiritual, and material riches available in the 20th century—an endeavor to make these accessible to the whole population, rather than to only a select few. Following from this, there is today a wider—if still imperfect—understanding of the fact that the actions of Latin American countries themselves in achieving the goals of the Alliance are far more important than those of the United States. In quantitative terms, it is agreed that 80 percent of the material resources for Alliance programs must come from the Latin American countries themselves. In fact, that figure may be even higher; some have said that up to 90 percent of the material resources must be generated in the Latin American countries. But far more important, the leadership necessary to mobilize both the quantitative and qualitative resources of the societies must come from within. A key role will invariably be played by the political leaders who are currently in power in a country. The political decisions taken or not taken will in great part determine the progress or failure of the Alliance in a given country. The ability of the U.S. Government to influence these political decisions is always limited, sometimes nonexistent. Political leadership is the most important ingredient in determining whether Alliance programs will progress in a given country.

Therefore, Mr. President, when we see a failure or when we find a shortcoming or are able to expose some inadequacy, let it be clearly understood that these are not always our fault. We are having to work with, and to depend upon, people in the Latin American countries themselves for leadership and followthrough that are necessary in order to make any program effective. I tend to believe that in the first place, we assume that we are more or less saving the world singlehandedly, that somehow or other we are paying all the bills, and that, therefore, if things go wrong, the fault is ours alone. But, Mr. President, the truth is that we are not saving the world singlehandedly, and that we ought not to do so even if we could, because this is a responsibility to be shared by many. Furthermore, we are not paying all the bills; to the contrary, we expect others—and call upon them to do so—to do far more than we do, which is entirely right. In addition, all the mistakes which may be made are not necessarily our fault. We make our fair share, to be sure; but many of them are mistakes which are inherent within less developed social structure. Mr. President, not only have we made mistakes and shared in failures; we have also gained victories and shared in accomplishments. If Senators will examine

the display of photographs in the rear of this Chamber, and will notice the difference, in country after country, between what was and what is—the difference in housing, in schools, in sanitation, in health and education, in harbors, and in roads, they will see that great gains have been made. It is regrettable that there is so much more to do; but I do not think we should condemn a program and throw it out simply because there is yet more to do and because the task for the future seems to be an exceedingly heavy burden.

So, Mr. President, if we are today buoyant with hope about the prospects for Peru and Argentina, it is because of the promise engendered by the election of a new set of political leaders who are determined to convert the disillusionments of the past into valid programs for the future.

If we are despondent about the Caribbean area—and surely I have expressed deep concern and worry about this area—it is because we have witnessed once more the vulnerability of two governments which could not rely on a strong, well-developed, democratic institutional structure. We need strong democratic institutions to support strong leaders. In fact, we need to develop strong democratic institutions to support the kind of reforms that this Government of the United States is demanding of our partners in Latin America. I repeat what I have stated before:

The assault on the recently elected constitutional governments of the Dominican Republic and of Honduras by those who have not experienced a tradition of free democratic government is a cruel blow to political freedom in this hemisphere, and to the Alliance for Progress.

If a government can inspire confidence and hope among its people, it can advance toward the Alliance goals—regardless of where it starts. Disillusionment in this hemisphere has not been greatest in the least advanced countries—which in some cases are some of the most advanced economically.

We are likely to experience disappointment and disillusionment again in certain Latin American countries over the course of the next decade, just as we have experienced it the past weeks in the Caribbean. In most cases these will be caused by a failure of political leadership and a failure to build political institutions which are capable of sustaining and implementing the basic structural modifications in their societies, as called for under the Alliance for Progress. I remind Senators that we are administering strong medicine in the reforms we require for cooperation under the Alliance for progress, and we are attempting to remedy in a few years the abuses of two or three centuries. So the great question before the democratic peoples of the world is whether we can effectuate adequate reforms in the political, economic, and social structure, through the democratic process, or whether these reforms will come only with blood and revolution. I hope we can perfect a system—under our guidance and leadership, in cooperation with other democratic peoples and leaders—

that will bring about genuine reform, without violence and without revolution, because all too often revolutions play into the hands of the dictators and destroy what they were designed to fulfill.

So, Mr. President, I hope it cannot be said that we contributed to such disappointment because we failed to give consistent and strong support to governments which sought to implement the aims of the Alliance for Progress.

We must always remember that the objectives of the Alliance are political, as well as economic and social.

As the U.S. Coordinator of the Alliance for Progress has stated, the Alliance includes not only a social revolution against the scourge of hunger, disease, and illiteracy, but also a political revolution whose "single most important force" is "the quest for first-class citizenship." "Free countries," Mr. Moscoso rightly concludes, "do not develop on bread alone." Political democracy and free constitutional government must remain an indispensable goal of the Alliance for Progress.

It is to this very proposition that several Senators in this body have addressed themselves in recent weeks as we have witnessed the emergence of juntas in the Dominican Republic and in Honduras. It is because of our conviction that political democracy and free constitutional government must remain an indispensable goal of the Alliance for Progress that we have called upon the Government of the United States to insist upon a constitutional government, and, to deny the juntas and military cliques American aid. That is why I said earlier today that it is my intention to cooperate with the Senator from Oregon [Mr. MORSE], who is chairman of our Subcommittee on Latin American Affairs, in bringing into the bill the kind of objectives that he has sought in his amendment to cut off the aid programs to those governments that throw out or destroy duly constitutionally elected governments. The Senator from Oregon will find plenty of allies in this body for that worthy endeavor. I am grateful to him for having raised his voice on that subject, because it is all too easy to accommodate ourselves, as some people say, to being "realists."

If we are going to fulfill our responsibilities under the Alliance for Progress and the charter under the Alliance, we must live up to our commitment to achieve broader social justice within the framework of personal dignity and political liberty. Either we should commit ourselves to the proposition of political liberty, democratic institutions, and free constitutional government or we should quit calling the program which we are now advancing the Alliance for Progress.

The Alliance for Progress has a character about it. It involves more than merely money. The Alliance for Progress is not merely another grant or loan. The Alliance for Progress is a great mission, a dedication to economic progress, to social justice, to constitutional government, to personal freedom, to political liberty. It is a commitment by our Government and by others to democratic institutions and constitutional govern-

ment. It is because of my firm belief in that principle that I feel we must not back up 1 inch in our responsibilities and the commitments that we made, and to which we affixed our signature at the Punta del Este Conference.

Mr. President, it is of utmost importance for the Alliance in the years ahead that we have in the past 2 years managed to discard many of the old clichés which have governed our thinking about Latin America in the past.

One cliché, now exposed in all its hollowness, is that which portrays the Latin American countries as being divided between avaricious oligarchs and primitive masses, the former united in a concerted plot to oppress the latter. This explanation is not adequate and will no longer do. There remain oligarchs and there remain oppressed masses—far too many of both. But such a dichotomy ignores the growth of a substantial middle class in most of the larger Latin American countries. It ignores the growing number of enlightened progressive leaders springing from the aristocracy, even from the military and, indeed, the church. It ignores the growth of well-organized unionized workers in most metropolitan centers of the hemisphere. Overall it ignores the growing awareness in the hemisphere of the truth of President Betancourt's statement that, "If we cannot help the many who are poor, we cannot save the few who are rich."

It also ignores what I found to be a fact—the growth of a responsible group of young men and women from the universities and colleges. There is a renaissance of social dedication and commitment among the youth in many of those countries. Although the middle-class citizen, enlightened aristocrat, the unionized laborer and the socially conscious youth may be far too few in number, it is from these groups that the leadership for the Alliance for Progress program must come. It is to those groups that we should give our support, help, and encouragement. It is time for the old clichés to be dropped and these new realities faced.

In summary then, the experience of the past 2 years has taught us that the Alliance is a long-term program, that the Latin American Continent includes a diverse and rapidly changing group of societies whose social, political, and economic systems cannot be explained in terms of the clichés of the past.

Also during the last 2 years they taught us that we must expect to experience many disappointments, but we can also be encouraged by many achievements.

I would now like to shift from what we have learned to what has been accomplished. Despite the brevity of the period, there are certain concrete accomplishments one can point to after 2 years. In the brief 2 years since this hemispheric cooperative effort was launched, some 140,000 new housing units have been constructed, 8,200 new school classrooms have been built, and more than 700 new community water systems undertaken. Tax and land reform measures have been adopted by many countries, more than 160,000 agricultural

credit loans have been made, 4 million schoolbooks have been distributed, and more than 9 million children are being fed in 18 countries under the food for peace program.

There are other accomplishments. We have had cultural exchange programs that have been increased. Thousands of young students from Latin America are attending universities and technical schools in the United States. There are many information programs under the supervision of the U.S. Information Agency. Many new binational centers that encourage reading in English and a better understanding of our respective countries have been established. Vocational schools have been constructed and staffed. I have seen those things with my own eyes. I have been in country after country and have witnessed the work that is underway. Colleges have been staffed; universities have been constructed. In cooperation with democratic leaders—people who believe in personal liberty and personal freedom—we have been able to make an impact upon the young people in college after college and university after university. In many cases, the Communist forces have been defeated. The forces of liberty and democracy are in the ascendancy.

Those are some of the good news headlines that we ought to know. I have witnessed the renaissance in the Argentine, in the Central American republics, in Chile, Peru, and Colombia. The prospect is not all dark and despairing. Much of it is bright and hopeful.

But these statistics are poor illustration of what the Alliance has accomplished for individual persons and individual families. To give a concrete idea of what the Alliance means to our neighbors in this hemisphere, as I said earlier, I have brought to the Senate Chamber several photograph panels which graphically illustrate some of the accomplishments of the Alliance during the past 2 years.

There are a great number of exhibits available which we could display if we but had the space to display them and the time properly to study them. Our information centers in Latin American countries are popular. Thousands of people come to them to hear the story of American democracy as an example for Latin American republics is reaching the people.

These six pairs of panels in the rear of the chamber indicate the difference in the lives of six groups of Latin Americans wrought by the Alliance; they show their situation before the Alliance was launched—and after 2 years in progress. Let me briefly describe these panels:

BRAZIL: HOUSING

First. Before: The Favela Bom Jesus is typical of urban slums in the city of Rio de Janeiro. This urban squalor—without water, electricity, or sewers—is the lot of more than half a million people in the State of Guanabara.

Second. After: Former residents of Bom Jesus are now being resettled in the Barrio Alianca—the Alliance Suburb—a new community taking shape 22 miles outside Rio near the textile mill

town of Bangu. The project will consist of 2,250 houses. Barrio Alianca, and other demonstration housing projects in Guanabara State, are being financed under an AID grant of Cr\$1 billion generated from a title I sale of Public Law 480 commodities to Brazil. The State of Guanabara is also applying Cr\$1 billion to the project.

Mr. President, I am happy to see in the Chair at the present moment the former director of the food for peace program, the Senator from South Dakota [Mr. McGOVERN], under whose direction much of this program was launched. We have been able to convert surplus American food into housing to help eradicate the slums in Rio de Janeiro. We have been able to sell surplus American food stocks to Brazil, and loan back to Brazil the money generated by the sale of the food, so that Brazil and the local State government of Guanabara could build 2,250 homes for 2,250 families.

I know this is a small effort, and there is great need for hundreds of thousands of additional houses in Brazil, but we have made a beginning. It seems to me we should keep in mind that democracy needs beginnings. There will be plenty of work for future generations, but we need to make a start. We have made a breakthrough.

I have seen the slum areas of Brazil. I have walked through the streets and seen conditions beyond description, even beyond human endurance. But we are beginning to crack this problem. The facts prove my statement.

VENEZUELA: AGRICULTURE

Third. Before: This Andean farmer plows the land using the same primitive techniques as his father and father's father have employed for generations.

Fourth. After: Under the Alliance for Progress, mechanized agriculture has become a more common sight in Venezuela. Through the country's land reform program—which is one of the best, the National Agrarian Institute has settled over 53,000 families on 2 million hectares of land distributed over more than 500 farm cooperative settlements. A \$10 million social progress trust fund loan from the Inter-American Development Bank is currently being used to finance various colonies and agrarian developments in Venezuela. An additional \$10 million loan from AID is financing a program of supervised agricultural credit in Venezuela, making it possible for the Banco Agrícola y Pecuário to make loans to small farmers. The program combines technical assistance with credit facilities so that farmers may learn new production methods and acquire facilities and machinery to make improvements in their farms.

I also point out the great growth of rural cooperatives under the Alliance for Progress. Two years ago I offered an amendment to the AID bill to encourage the development of rural cooperatives—producers cooperatives, housing cooperatives, farm cooperatives, and rural electric cooperatives—for agrarian people. I believe that much of the battle against Castroism and communism in Latin America will be won or lost in the agrarian areas. I want to see this Gov-

ernment do much more in the agrarian field. We are all too often dazzled by the sight of new, big industrial establishments. Much of the real poverty in Latin America is in the rural areas. From those areas hundreds of thousands of people migrate to the cities hoping to find something better.

The emphasis needs to be placed upon agrarian reform; but also upon the new techniques of agricultural farm credit—little bits of credit for the family farm through the development of the rural cooperative.

Mr. President, the report on the development of cooperatives in Latin America is very encouraging. This bill would authorize an additional \$25 million for the development of an Inter-American cooperative financial institution to help finance national cooperative developments and local cooperative developments for rural people. I believe this is one of the better features of the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I am glad to yield.

Mr. MORSE. I do not wish to interrupt the Senator, but I am appreciative of the approach he is making to this problem of the Alliance for Progress. The point the Senator is making about giving a little bit of credit to the farmer in Latin America is important. I believe I could summarize my attitude by saying that providing credit to enable the farmer to purchase a sow is much more important than all the silk purse policies the State Department might make available to him. It is a good example of what we can do for the farmer in Latin America.

The Senator from Minnesota has just spoken about the credit union and the cooperatives, and providing farm machinery on an area basis which can be loaned out and made available to central cooperatives for the improvement of livestock. All that goes along with the type of modern agriculture which we have developed in the United States.

I say it is exportable. It is a good illustration of what I keep talking about when I say, "Let us export our economic freedom." That is the way to whip communism. The approach that the Senator from Minnesota is making is unanswerable. It is what we need to do in the Alliance for Progress program.

Mr. HUMPHREY. I thank the Senator from Oregon. He has witnessed many of these developments, and has been deeply shocked by some of the unbelievable conditions that prevail in certain areas. Unless this program can reach the people, unless the program of the Alliance for Progress is identified with the poor, the needy, the peasant, the campesino—the workers and their needs—it will not succeed.

The Alliance for Progress is not merely a program of finance. It is not merely a program of big industry. It is a program essentially designed, as the charter of that Alliance provides, to bring about progress in the economy, social justice, personal liberty, and political freedom.

We need to keep all those objectives foremost in the discussion on the

Alliance, and the amendments which will be offered to the bill.

My primary purpose in making this speech today is to put into the Record the philosophy that I believe is necessary if we are to win this struggle. We have our work cut out for us.

Mr. PROXMIRE. Mr. President, will the Senator yield further on that particular point, which is very important?

Mr. HUMPHREY. I am glad to yield.

Mr. PROXMIRE. Does the Senator say that the bill would provide more funds for cooperatives?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. Twenty-five million?

Mr. HUMPHREY. That is correct; \$25 million over and beyond what is available from the Inter-American Development Bank, and what has been made available under the Social Progress Trust Fund and the Development Loan Fund.

Mr. PROXMIRE. Does the Senator not agree that certainly one important element—and I believe the crux—in land reform in Latin America is the availability of credit to farmers at low interest rates?

Mr. HUMPHREY. The Senator is correct.

Mr. PROXMIRE. The difficulty in these areas is that historically the interest rates have always been very high, in fact usurious—typically 15, 20, 25 percent not being unusual.

Mr. HUMPHREY. It is not only not unusual; it is the pattern.

Mr. PROXMIRE. It is the pattern. Is it not true—that in the administration of the program in Latin America and the providing of the \$25 million additional for cooperatives, the loans will be at low interest rates so they can be repaid and will not be prohibitive, so that the benefits will go to the farmers and not the moneylenders?

Mr. HUMPHREY. The Senator may rest assured on that score, because a loan to a cooperative goes to a nonprofit institution, so to speak.

Mr. PROXMIRE. It is member-owned? And the members are the small farmers who borrow from it.

Mr. HUMPHREY. Yes; it would be member owned in this instance by the campesinos, or the farmers. There would be no need for a high interest rate.

The only requirement is that the interest rate should at least be sufficient to take care of the administrative costs.

One of the more pleasing developments in Latin America is in the credit union development and the cooperative development, which provide funds, resources, and technical assistance at moderate rates of interest. I insisted, in my discussions with officials handling this program, that more emphasis be placed on this aspect.

Let me digress for a moment—

Mr. PROXMIRE. Mr. President, before the Senator digresses, let me say that he is eminently correct when he says we should export this particular genius of the American system. There is no phase of the American economic system that has been more productive, more efficient, or has done more for the American people than agriculture. The

cooperative movement has been extremely helpful. The National Credit Union headquarters is located in Madison, Wis. CUNA, as it is known, has been sending its experts to South America and doing work there very quietly. Not much has been reported about it. They have been helping in the credit union movement and helping the little people so that they can establish that kind of cooperative effort. With the little these farmers have, they make it go as far as possible on a cooperative basis. They have been rendering excellent service.

If our agricultural cooperatives, with their record of success, can take part in this program, it can be very helpful to those countries. This is a point of foreign aid that we should encourage. The aid the Senator from Minnesota has been stressing reaches the individual person, and provides an opportunity for the Campesino to have a stake in his society and economy. When that is a fact he is going to be a foe of the Communist and will stand for free government and a free nation. Small landholders have always provided the prime opposition to the Marxist, Leninist, Stalinist, Khrushchev push. That is why this part of the program is so crucial.

I am happy that the Senator from Minnesota is emphasizing the importance of this aspect of the program.

Mr. HUMPHREY. I thank the Senator from Wisconsin, who has great knowledge of the development of the cooperative movement and its role in America, and what it is doing overseas. Senators will be interested in knowing that one of the universities providing training in the cooperative movement in Latin America is the University of Wisconsin. This help is being provided the Latin American countries themselves, because of the success we have had with it in this country. Not only is capital being made available, but leadership and the training for leadership are being made available. That is one of the significant accomplishments of the Alliance for Progress and the AID administration—the program of cooperative development and expansion in Latin America and the training of people for the cooperative movement. It has been quite encouraging.

I have insisted on having regular reports from the AID administration and the Alliance for Progress on the cooperative endeavor. I was the author in the Senate of the amendment that instructed the AID administration to engage in the training of cooperative leaders in the cooperative movement in the areas of credit unions, housing, agricultural production, marketing, rural electric co-ops, and so forth. I have had reports every month. Each month the reports are better. Each month there is evidence of significant progress. Our leaders in the cooperative movement and cooperative interests in America have been sent into Latin America to speak, to train, and to provide seminars to help in the establishment of a cooperative movement, and to stay with it long enough to set it going.

They do not get the headlines, but this is what has been happening. As the

Senator from Wisconsin has said, a going cooperative movement is death to communism. The Communists can never take over. The only way the impoverished rural people, known as the campesinos, are going to get ahead is by pooling whatever resources they have in a cooperative effort, and obtaining some capital and guidance. It is not only money that they need. They need land reform and modern agricultural techniques, because the farmer who does not learn modern techniques will soon lose his land, and it will go back where it came from. But land reform is needed, along with supervision with respect to credit, supported by the development of rural cooperative works. I have seen the program in operation. I went into certain countries in Latin America a while ago, and attended cooperative meetings. I visited with those who are operating and managing the cooperatives.

In Panama, for example, people who were impoverished, starving, were enabled, through the cooperative movement, through AID and the Alliance for Progress, to buy some fishing equipment, a fishing boat, and a refrigerator boat, and were able to establish a cooperative. Not only did they do much better, but they were beginning to be able to provide for schools, roads, and so forth. We have concrete evidence.

The trouble is we do not hear about the good things. We hear about somebody's mistakes. Do we ever hear about safe drivers? No; we hear about those who have accidents. Do we ever hear about people who conduct good, normal lives? No; we hear only about those who get into trouble. I do not know why we have to emphasize the negative, when we are supposed to be people who emphasize the positive.

Let me say a few words about Central America. I point out that I do not speak of this area on the basis of photographic observations or reading about it. I have been in all the countries of Central America save one. I have been privileged to meet with the officials of the government, with the heads of trade unions, with agricultural people, and with school heads. I have visited schools and rural areas and colleges and universities. I have visited industrial projects and slum areas. I have had the privilege of addressing the Congress of El Salvador and of Mexico. In other countries, I have sat down with representatives of industry and labor. Therefore, when I speak of the Alliance for Progress and its development in this area, I do so from on-the-spot observation as well as study of the records of the program.

Mr. President, in the rear of the Chamber there is one chart marked "Central America: Mobile Health Program." This is a project which I advocated in the Senate several years ago at the time that we discussed the so-called White Fleet. I urged, instead of building large hospitals and big health centers, which were stationary, and to which people had to come in many of the backward or underdeveloped or poor areas of the world, that we equip mobile units to take medical care to the people, that we utilize our technology of communication, re-

gardless of whether there were roads. I said we could develop a kind of unit that could move across any terrain, to bring modern medicine and modern health care to the people.

On one of the panels in the rear of the Chamber, labeled "Before," there is an illustration showing the need for preventive health and sanitation measures in Central America. It shows the kitchen in a rural home. Until recently, modern medicine has been unknown or unavailable in the rural villages of Central America. The annual per capita income has averaged less than \$100 a year, and many village people have never worked together outside their families.

There is another panel in the rear of the Chamber entitled "After."

Today, under the unique Alliance for Progress program, mobile health teams—traveling by jeep, boat, and mule—are introducing modern medicine to remote villages of six Central American countries. Drugs and medicine are being distributed to people in 600 villages by teams of Central American doctors, public health nurses, and sanitarians. Resources of AID, the Peace Corps, and food for peace have joined in this Alliance program to help villages carry out preventive health measures and build health centers and other community projects. High-protein food for peace commodities are also being distributed, and team nurses are teaching mothers how to prepare food and are advising them about general nutrition, general sanitation, and personal hygiene.

I have seen this program in operation. Rather than hearing the distressing news of some colonel who is trying to shoot his way into power, it would be wonderful if the American people could know that there are today many mobile health units—jeeps, trucks, and hospitals on the backs of mules, going into the back country with doctors, nurses, and medical technicians to carry modern medical care and preventive medicines to the people.

How was this done? Through the Alliance for Progress. The people who are doing it are sacrificing their lives. Sometimes I wonder how many people in the United States, who are living so comfortably in air-conditioned homes, with good sanitary conditions and facilities, with the best of food and clothing think of the many sacrifices that some employees of this Government are making, in faraway places in infected areas and infested swamps.

I have seen it. It would be good occasionally to give a little credit to some of those who are literally sacrificing their lives. I know of Ambassadors who have lost their children to what we call tropical diseases as they were serving their country in faroff places.

I know of people in the AID group and in the Alliance for Progress who have suffered terrible sicknesses as they sought to help others. There are Members of the Senate who have served on teams which have gone to faraway places and who have come back incapacitated for a while because they gave of their health and of their time to help others.

This program has involved sacrifices; it has had its martyrs and its heroes, as

well as its bums. I wish to say something about some of its heroes.

One of the panels in the rear of the Chamber is entitled "Bolivia—Community Water Supply System." That panel shows the situation before a change was made. The panel entitled "Before" shows a Bolivian youngster in the village of El Paso filling his water jug from the community's only water supply—an open canal contaminated by human and animal waste.

Then there is the "After" panel. It is 1 year later, and residents of El Paso have a potable water supply system consisting of a stone-covered water channel and a filtering system which is protected from exterior contamination. The system includes concrete-covered storage tanks and more than 3,000 meters of galvanized pipe. Although the project was financed by AID to the amount of \$10,000, the 907 men, women, and children of El Paso contributed approximately \$400, plus material and labor. To encourage this, and similar self-help projects, the U.S. AID mission in Bolivia has provided \$270,000 to finance community water programs that will provide safer water to 85 percent of the urban population, as well as to 500 rural villages, within 5 years. The project is also planned to stimulate development of a national water supply authority and other local organizations for administration and operation of these new water supply systems.

I do not know of anything that we could do which would contribute more to the happiness and health of the people than to encourage and aid in the development of a potable supply of sanitary water in countries of Latin America, Asia, or Africa.

The amount of money that we put into this project is \$270,000. It will finance community water programs to serve 85 percent of the urban population of the whole country.

I am not prepared to say how much it costs to fire one Polaris missile on a test flight. I venture to say that it costs more than \$270,000. I read the other day that we had fired another Polaris missile off the coast of Florida for a distance of approximately 2,300 miles. I am pleased that the missile worked. I know that it is essential to the defense of our country. However, I think it is about time to compare costs in the area of missiles as well as costs in the area of civilian undertakings.

I venture to say that there have been more missiles that did not go off than there have been Alliance for Progress programs that did not work. I am sure of it. There have been more mistakes in the construction of modern military weapons, which had to be revised, or taken back, as it is said, for readjustment or modifications, than there have been projects relating to the health, education, and welfare and the productivity of people under the aid program.

Yet for some peculiar reason we hear little about the failures that we encounter in the space program or in the military program. I do not mean to downgrade the importance of these programs. They are important. I wish to make it clear that we cannot have scientific re-

search without failures. I do not believe that we can conduct a program, in an area of instability and poverty and misery, without having failures. I do not believe we can conduct a modern corporation without having failures.

During the past weekend I had occasion to talk with a very important business executive. He told me what the difference was between public service and private service. The difference is primarily, he said, that if a person is the head of a big corporation he is given responsibility for conducting the operations of that corporation. The measurement at the end of the year is whether he made more money than he lost.

This executive said to me, "They don't come and say to you, 'You bought too many thumbtacks,' or 'Your advertising program on this particular item did not work.' What is most important is the result."

Mr. President, there is hardly an automobile produced on an assembly line in connection with which there is not an occasional car that must be turned back. A few of the first automobiles produced of a particular line, even in the most experienced companies, are what are called lemons.

However, the president of General Motors is not fired because every car that came off the line is not perfect. What the corporation looks for is the profit statement at the end of the year. If the profit statement shows some positive results, there is the possibility that the man who was responsible for that achievement will be rewarded and praised.

I am only asking that we take a good look at the assets and liabilities, at the debits and the credits. If the assets at the end of a particular period of time add up to a little more than the liabilities, if the credits are a little better than the debits, it seems to me that we can say that there has been progress and some success.

One of the benefits that are shown relates to Colombia. It is the Alliance for Progress housing in the city of Ciudad Techo. One of the panels shows the scene before the program went into effect. It shows a two-room, ramshackle structure that served as the home for Campo Elias Bernal, his wife, and their six children. Due to poor eyesight and illness, Sr. Bernal is unemployed. The family's entire income amounts to only \$1 a day that the father earns through odd jobs.

Another panel shows the new home at Ciudad Techo to which the Bernal family will soon move. It is a part of the vast Alliance for Progress housing project outside Bogotá. They and 27 other families are now building their houses through a system of self-help. The total price of the home is \$630, which will be financed over a 15-year period. The Ciudad Techo housing project was inaugurated by President Kennedy and President Lleras Camargo on December 17, 1961. Construction began in January 1962, and will be substantially completed during July 1963. The total anticipated population of Ciudad Techo will be approximately 90,000 people. The project is being assisted with an AID grant of half a million dollars and an AID loan of

\$12 million, which is repayable to the Government of the United States.

Here is a home that is satisfactory, comfortable, and sanitary; a home that will provide adequate shelter for a family consisting of the husband, wife, and 6 children, for the price of \$630. So such housing can be provided. I have seen these homes. While they do not compare with what we call housing in the United States, they have some highly creditable features. They are clean. They are warm. They are ventilated. They are spacious. They have running water. They have electricity. They provide a modicum of comfortable housing. This has been done through the AID program and the Alliance for Progress.

I should like to discuss education and community development in Honduras. Honduras is a country in Central America. It is rather backward in its economic development. Its progress has been slow. Recently it was the victim of a military coup, one that Members of this body deplored. We wanted our Government to take responsible, effective action to bring about constitutional government once again and to deny the junta any of the benefits and privileges of the Alliance for Progress program.

One of the panels shows the little Honduran village of Palo Pintado, which until recently was a community steeped in old-country traditions. Housing consisted of minimal shelter without light, water, or toilet facilities; agriculture was on a subsistence level; small handicraft industries were incredibly primitive and education consisted of only two grades taught by one unqualified teacher in a single, dimly lit, and poorly furnished room.

The next panel shows what happened after the program was underway. The change in the village of Palo Pintado is represented by this new Alliance for Progress school constructed jointly by the Education Cooperative Service and the citizens of Palo Pintado with support from the Governments of the United States and Honduras. With the assistance of AID, a home demonstration center has been established which has introduced a number of improvements to the village. Among them: Furniture has been built for 50 percent of the homes, outdoor toilets for 30 percent; 90 percent now have smokeless stoves; 80 percent have been improved with lime paint; and nearly all have replaced loose dirt floors with a mixture of ashes and sand that is pounded into a hard, dustless surface.

These improvements may not sound like much to people in the United States, but they are substantial improvements for those people who have lived with so much less. I observed the construction of schools in Honduras. I saw people in the rural countryside building desks and chairs and all the other facilities inside the schools. I watched women from rural families gather the rock that was used in the construction of the schools. With a little outlay of cash, under the terms of the Alliance for Progress, with some technical assistance provided by the Alliance for Progress, schools were established—not one, but hundreds. They were established through the work of rural labor. The families gathered

the rock and the stone for the walls. The sons and fathers built the desks, tables, and chairs. They were engaged in a self-help program, with just a little cooperation from the U.S. Government and our AID mission.

Mr. President, these are encouraging sights; they need our continued support.

Mr. President, these are but six examples of how the Alliance for Progress is bettering the lives of individuals and facilities and communities in Latin America. These are not dry statistics, but graphic illustrations of successful aid to human beings.

I do not have time to detail here the total accomplishment during the past 2 years in the individual fields of land reform, tax reform, private enterprise, and housing, but there is substantial accomplishment. However, I believe a summary of what is happening in these fields should be placed in the RECORD. Therefore, I ask unanimous consent to have printed at the close of my remarks the following appendixes:

Appendix 1: Land reform.

Appendix 2: Tax reform.

Appendix 3: Private enterprise.

Appendix 4: Housing.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, I intend to present additional information later this week on recent developments in the field of public administration, education, and cooperatives.

For the long-range future of the Alliance, one of the major accomplishments of the past 2 years has been the beginning of a change in attitude within the traditional elite groups toward the problems of social and economic reform. A few years ago it could be said that the difference and fatalism of the ruling groups of Latin America was well expressed in the remark of the late 19th century Chilean President Barros Locco:

There are only two kinds of problems facing society: Those which get solved by themselves—and those which defy solution.

Today this attitude is no longer characteristic of many of the ruling groups. There are individuals from the traditionally privileged groups—the professional classes, the landowners, the businessmen, the universities, and the church—who are beginning to take the lead in championing the economic and social reconstruction of their societies prescribed by the Alliance Charter. If they remain exceptions to the rule, if they are far too few in number, if they are a half century late in asserting their leadership, it is nevertheless a fact today that an increasing number are joining the representatives of the rising middle class to provide the leadership that will be necessary to insure the ultimate success of the Alliance. What is still doubtful is whether they will move fast enough and with the desperate sense of urgency that the situation calls for.

It is here, I believe, that we can make a real contribution, pointing out the urgency which exists among these groups and individuals, and moving to back up the reforms which have been temporary,

at least, initiated, but which are just beginning to take hold.

One of the most hopeful signs in the Latin American scene in recent years is the renaissance of the Catholic Church and a new awakening on the part of the church leaders to the shocking social and economic problems of the continent. Since the meeting of the Latin American hierarchy at the Eucharistic Congress in Brazil in 1956, church leaders have begun to focus attention on the social injustice perpetuated by the traditional indifference of the privileged classes to social and economic problems.

Today in Chile, Panama, Venezuela, northern Brazil, Argentina, and Colombia, members of the hierarchy are pushing actively the reforms stipulated under the Alliance Charter. Whereas formerly the active espousal of progressive social and economic policies was largely confined to religious orders like the Maryknoll priests or to isolated pastors, today they are supported by occupants of metropolitan sees. They are supported not only by the occupants of the metropolitan sees—archbishops and bishops—but by the Vatican itself. This has made a great difference in the role of leadership of certain of the leading citizens of Latin America.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield briefly to me?

The PRESIDING OFFICER (Mr. INOUYE in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. HUMPHREY. I am glad to yield.

Mr. MORSE. I am very glad the Senator from Minnesota has called attention to what I believe is the great economic renaissance in the Catholic church in many parts of Latin America, and I think he does well in pointing out that it is bringing a great deal of economic benefit to the masses of people in Latin America, although not in all places.

The Catholic church in the Dominican Republic has a great deal to answer for. Apparently it has been under Spanish domination, and has not become a part of the economic renaissance of the Catholic church in Latin America. Its opposition to the establishment of democratic government in the Dominican Republic is well known; its attempt to prevent the election of Bosch in the first place is well known; its support of the junta is well known. But the Catholic church in the Dominican Republic is not the Catholic church in many other parts of Latin America.

At the time of the inauguration of the new president of Peru, there was an inaugural mass on the preceding Sunday; and I sat there and listened to the sermon which was delivered at the mass, and heard the comment of delegate after delegate from inaugural delegations from countries around the world, who said that that political sermon was clear notice of the need for economic reform in Latin America. They called attention to the pleas by the priest who preached the sermon for greater distribution of the wealth of the country on an equitable basis, and for land reform,

and for all the other objectives of the Alliance for Progress program which the Senator from Minnesota has so eloquently explained today. It was a remarkable sermon, and was a great symbol of what is happening in Latin America, from the standpoint of the faith that dominates there and of the good that can be accomplished by the Alliance for Progress program, which in my judgment is on the road to its accomplishment.

So I think the tribute the Senator from Minnesota has paid to the segments of the Catholic church in Latin America that can be said to be parties to an economic renaissance is most deserved, and I wish to join him in it.

Last of all, in my capacity as chairman of the Subcommittee on Latin America, I wish to thank the Senator from Minnesota for his exposition of the objectives of the Alliance for Progress program, for his exposition of the obligations which we and the other 19 signers of the Act of Punta del Este undertook, and for his exposition of the accomplishments which the Alliance for Progress program has already achieved in the first 2 years. I yield to no one in my ardent support of these objectives and in my ardent support of a sound program for the Alliance for Progress.

The Senator from Minnesota well knows that the Alliance for Progress really was born in the Senate Foreign Relations Committee when the now President of the United States was a Senator from Massachusetts. We spent the appropriation of approximately \$150,000 which the Senate gave our committee. We expended a large proportion of it in the form of contracts into which we entered with universities, research centers, institutes, foundations, and recognized scholars on Latin America. He will recall that I made the motion that the study ought to be made for us, as authorized by the Senate, and that we, as members of the Foreign Relations Committee, should sit as jurors in passing valued judgments on the results of the studies. The then Senator from Massachusetts seconded my motion and made a brief and effective statement in support of it. The motion was adopted, and the full Foreign Relations Committee approved the motion; and we went forward with the study for which the Senate had appropriated the funds. As the Senator from Minnesota knows, a whole series of research treatises, with recommendations for action in Latin America, was prepared for us; those treatises contained the recommendations which subsequently the then Senator from Massachusetts, after he became President of the United States, wrote into the Alliance for Progress program. They are just as sound today as they were when our committee approved them and when the President of the United States enunciated them and initiated them in the form of the great foreign policy program known as the Alliance for Progress program.

Although I am highly critical of the bill now pending before the Senate, I want to do everything I can to help the Alliance for Progress program become a

great reality, for in my judgment it is the answer to communism in Latin America, and we have a clear duty to make this program work. That is why it grieves me to find myself in the position of having to point out that the Alliance for Progress program has so many defects in it that, in fulfilling my trust to my office, I must oppose the pending bill unless it is modified.

I would that I could take the Alliance for Progress program out of the bill and treat it as a separate bill, for no one could be a more ardent advocate of it. But if I have to take the Alliance for Progress program along with all the other parts of the pending bill, so far as my vote is concerned, the Alliance for Progress program will have to be voted against—although only temporarily, only as a matter of parliamentary strategy in the Senate—for not only do I favor the Alliance for Progress program as it has developed to date, but, in addition, I would strengthen it, and I would vote for funds for it if we could get a better guarantee that the objectives of that program will be accomplished.

So, regardless of whatever differences may develop during this debate between the Senator from Minnesota and myself, we do not have any difference as regards our objectives in connection with the great Alliance for Progress program.

Mr. HUMPHREY. I thank the Senator from Oregon; and I think it proper and most appropriate for me to state that the administration of the AID program and those responsible for it would be well advised to consult most directly and intimately with the Senator from Oregon on the matters he brought to the attention of the Senate in the debate yesterday. Certainly I am not here to argue with the Senator from Oregon, and he knows that. We have the same objectives; and during my remarks today, I have attempted to emphasize the objectives of the Alliance and to point out how important it is that we keep them foremost in mind, and not merely be satisfied with the development of housing or schools or public works, but also concern ourselves with the development of political liberty, constitutional government, and personal liberty. These are the big objectives of the Alliance for Progress; and it will be my purpose, if I can serve any useful purpose in this debate, to try to bring about a reconciliation of views. I think that can be done; I do not think we are very far apart. I shall not discuss that point now; but I say most respectfully to the distinguished Senator from Oregon—that it will be my purpose to try to find ways and means, without sacrificing any principle, to bring about better understanding of what we are seeking to do by means of the bill, and to write that into the bill.

No bill is sacrosanct. The pending bill can be amended, and no doubt it will be amended. I wish to see it state the purposes we have in mind, rather than get bogged down in some detail which gets us off the track.

We can and will get to the proposals that the Senator from Oregon has offered in the committee and spoken about on the floor of the Senate. I know that

he will offer amendments. I wish to study those amendments. I assure the Senator from Oregon that I will study them with a friendly attitude. I am confident that after the Senator from Oregon has discussed them with the chairman of our committee, with members of the committee, and with members of the administration who are responsible for conducting the program, many of the differences will be reconciled. I make that prediction on the floor of the Senate, because we ought to be working together on the program, and we are going to work together. We cannot afford to have the program of the Alliance for Progress or the other parts of the foreign aid program killed or substantially weakened because of basic differences over a particular feature. We can arrive at some proposals that will alter or modify these projects, titles or provisions of the bill without doing damage to the objective—in fact, enhancing the objective.

Mr. President, I wish to proceed, and then I wish to yield the floor because I know that the Senator from Alaska will deliver a fine address. I have had an opportunity to visit with the Senator from Alaska today, and I know that he will give us some very constructive suggestions.

Again I make the statement that the purposes and objectives of the Senator from Alaska and my own are alike. What I seek to do, if I can play any role at all in the discussion, is to bring us closer together and see if we cannot save the bill and make it a real, viable instrument for the conduct of American foreign policy on a constructive basis that will substantiate and support democratic and constitutional government, and bring the effects of the bill down to the people. I am sure we can do so.

Mr. President, I was commenting on the attitude of the hierarchy of the Catholic Church in reference to certain developments in Latin America. The far-sighted social and economic philosophy of Pope John's recent social encyclicals "Mater et Magistra" and "Pacem in Terris" is being strongly pushed by the Vatican. These are great encyclicals. They have great importance in what we are seeking to accomplish in the many underdeveloped and underprivileged sections of the world. Men who would once be "promoted" to mountain parishes for their advanced views are now being appointed bishops and cardinals. Why? Because there is a renaissance of social progress and economic progress in the church. I can document it.

Probably the best known among those bishops and cardinals who are now providing progressive leadership is the Archbishop of Santiago, Chile, Raul Cardinal Silva Enriquez. Cardinal Silva's advanced social views are well expressed in the now well-known pastoral letter issued in November of 1962 by the Chilean bishops on "Social Reform and the Common Good."

The pastoral letter scathingly criticized existing social and economic abuses, deplored the inequality in distribution of incomes, and called on the Government to extend and speed up its reforms and its social welfare program.

Offering its own example, the church in Chile is now redistributing most of its own lands to local peasants.

In the 2 years since the Alliance was launched there have therefore been significant accomplishments—even if these accomplishments only make a dent in solving the staggering problems of the hemisphere. We have begun to appreciate the cooperative nature of the Alliance. We have a better appreciation of the importance of political leadership and viable political institutions in achieving the aims of the Alliance. We have witnessed at least a beginning of interest among the traditional ruling classes in the aims of the Alliance for Progress.

We have even learned about the geography of Latin America. There is not any one real Latin America. There are many countries in what we term "Latin America." Each country is a little different. Each has its own history. Each has its own traditions. Each country must be considered independently. Yet there are regions that have some common denominators. One of the great accomplishments thus far is the development of the Common Market in Central America—the development of the Central American Bank for the financing of regional projects. Regionalism in Central America, with its 12 million people, is beginning to work. Exports have increased; the standard of living is going up. These are good signs.

I would like to turn now to assess briefly some problems confronting the Alliance which must receive our immediate attention.

First of all we must translate our new understanding of the cooperative nature of the Alliance into the formal machinery which administers the Alliance programs. The spurning by certain nations 2 years ago of a U.S. suggestion to establish a multilateral system for making Alliance decisions contributed heavily toward the development of the present bilateral system under which the principal decisions are made by the U.S. Government. Former Colombian President Alberto Lleras Camargo's conclusion that this represents "the Alliance's greatest error in procedure" would appear to be valid. Writing in the current issue of *Foreign Affairs*, he states:

Inter-American organs were set up to study and prepare plans for national development, but it was left entirely to the United States initiative not only to find the way in which its contribution should be made available, but also to arrive at some standard of judgment as to how and when and to whom support should be apportioned for carrying out Alliance plans. The result was to create a pattern of bilateral operation which, on the one hand, set the tone of the discussions between the United States and each separate Latin American nation for each particular case; and on the other hand it caused an unending series of misunderstandings, resentments, conflicts.

Former President Lleras, joined by former Brazilian President Kubitschek, has now proposed that the multilateral character of the Alliance—which he refers to as the "original character"—be accomplished by establishing an inter-American body to administer the Alliance. The newly formed Inter-American Develop-

ment Committee may be the body which could appropriately be entrusted "with the responsibility of scrutinizing the extent to which each country, including the United States, fulfills the commitments it assumed at Punta del Este."

That is what was done under the Marshall plan when in Europe there was established the Office of European Economic Cooperation, so that the proposals that were made by the United States would also have to be considered in terms of their effect upon the totality of Western Europe by every country represented on the committee. I think we need very much the same sort of thing to make the Alliance a better instrument. Although I am in no way qualified to pass judgment on the particular procedure to be adopted, I accept the basic premise of increasing the role of the Latin nations in making the basic decisions which will govern the operation of the Alliance in the hemisphere as a whole. As I have said, our experience with the participation of European governments in the administering of the Marshall plan suggests that we should not fear this change away from a strictly bilateral approach and toward a multilateral system in administering the Alliance.

Progress is being made in extending credit for agriculture and half of the countries of the continent have received sizable Alliance loans for agricultural credit. Cooperatives are being formed in some areas. Programs are underway to open up new areas by building penetration roads. Land distribution under agrarian reform programs is proceeding in Venezuela, Colombia, and Chile.

The importance of rural development can hardly be overstated. I have emphasized it here today. Over half of the countries of Latin America continue to spend sizable amounts of precious foreign exchange reserves to import food to feed their populations. This occurs in countries that are primarily agricultural. For the common man in half of Latin America the key to a higher standard of living in the near future is still an increase in agricultural productivity. In this field the United States has a record of proved performance. We abound in technical expertise in the field of agriculture and the key to success appears to be our ability to secure the widespread adoption of known and proved techniques.

Another reason for increasing our emphasis on agrarian reform and rural development has been stated by President Lleras Camargo:

The imbalanced growth of population in Latin America places an increasingly heavy burden on cities.

For there is no sort of economic expansion, however swift or successful, that can assimilate both the rural masses who cease to live by agriculture and the new surplus hands, whether in the town or in the country, who come year by year to glut the labor market.

To the extent that rural modernization slows down the exodus to the city, it alleviates the problem engendered by rapid population growth.

The economic development of the rural sector is intimately linked to the prog-

ress of the industrial sector, for industrialization can flourish only if it has available progressively widening markets. The purchasing power of a modernized rural sector is of great potential stimulus.

I am not disturbed by the criticisms that the Alliance is now focusing too much attention on rural areas and too little on "Latin America's troubled cities." I would sustain this new emphasis on rural development and in many countries increase it. I am not suggesting that we attempt to reverse the long-range secular trend toward urbanization which is characteristic of our modern technological world. Nor am I suggesting that we attempt to discourage industrialization and encourage concentration on production of raw materials through a predominantly agricultural economy. What I am stressing, however, is the need to improve the living standards in rural areas and to increase agricultural productivity, and to do so through the application of modern techniques.

Indeed, today we are witnessing one of the ironies of Marxist determinism. Today we see the Soviet Union, which has for decades assailed the United States for preventing industrialization and keeping Latin American economies confined to producing raw materials, imposing upon Cuba a modern day mercantile system in which Cuba is the raw-material-producing colony for Russia, and the captive market for the Soviet Union's manufactured goods. This is 20th century Soviet colonialism.

I insist that the Alliance programs must give special consideration to rural and agricultural development, because it is necessary that someone redress the balance which events have tilted heavily in favor of urban men, and financed by urban-oriented financial institutions. The whole complex of international lending institutions—the World Bank, the Export-Import Bank, the International Monetary Fund, private banking houses—is heavily geared toward urban and industrial development.

I doubt that there is a farmer in any one of them. I doubt that there are many people in these institutions who really have any expertise in agricultural credit and agricultural technical improvements.

Most of these institutions do not find it possible to channel substantial capital into agricultural programs. And yet the basis of the modern agricultural revolution which we have experienced in the United States, is heavy capital investment, plus a large dose of scientific development and scientific know-how. It is investment in machinery, in fertilizer, in seeds, in scientific research, and in technical training. According to Dr. Earl Buty, dean of agriculture at Purdue University, agriculture is one of the biggest users of capital in the United States. The total capital assets of U.S. farms in 1963 is estimated at \$214 billion. Agriculture is big business in this country. It requires great expenditures and investments. In a study of Indiana farms, the total capital investment per farm was \$138,000, averaging out to an investment of over \$78,000 per man. This is four times the average capital

investment per industrial worker in this country.

If agricultural and rural development are to flourish in Latin America, large amounts of capital will be required.

I was pleased to see George Woods, the new President of the World Bank, emphasize this fact the other day, when he stated that the World Bank had been derelict in agricultural financing and agricultural credit. I hope that the statement of the new President of the World Bank means that the international financial institutions which have such an important role to play in Latin America will give increased emphasis to the agricultural credit and capital needs of that area. In the absence of other sources, the Alliance agencies such as AID and the Inter-American Development Bank must be principal sources for this agricultural capital.

But once again it is not only the economic consequences of rural underdevelopment that are of importance. The glaring gap between booming industrial urban regions and primitive rural areas is social and political dynamite.

I remind Senators of the fact that in Moscow, in 1952, when Stalin was still alive, the international Communist movement in its party congress in Moscow, laid down the proposition that communism on the international front would exert its main effort in the rural areas of Latin America, Asia, and Africa—but primarily Latin America. Even with the advent of Mr. Khrushchev and the de-Stalinization period, that objective has never been renounced. On the contrary, there is all the evidence anyone would ever need that the major push of the Communist movement today is in rural Latin America. Yet our Government and the international lending institutions are so completely addicted to industrialization and urbanization that the rural areas have been neglected far too much.

MR. DOUGLAS. Mr. President, will the Senator yield?

MR. HUMPHREY. I am glad to yield.

MR. DOUGLAS. Is it not true that in Venezuela the administration of President Betancourt has emphasized rural areas; has divided the land so as to create approximately 30,000 small holdings, and, as I understand, has also carried on a very extensive housing program for rural areas?

MR. HUMPHREY. The Senator is absolutely correct. President Betancourt is one of the great democratic leaders in Latin America who understand the importance of the rural area in the government's endeavors. He was elected with the massive support of the peasants, which offset his defeat in the city of Caracas.

MR. DOUGLAS. And he has done this with the cooperation of the Alliance for Progress?

MR. HUMPHREY. Very much so. I emphasize the importance of local leadership and national leadership. There is a need for our own Government's agencies to place emphasis on rural development, cooperative development, rural credit and the technological information necessary for modern agriculture.

We are rapidly learning that the situation most susceptible to violent revolution is the existence of vast differences in the level of development, income, and growth within a country. To the oppressed peasant of northeast Brazil, the dazzling splendor of São Paulo is more of an incitement to revolution than the faraway places of the rich United States. Political and social stability demands that the gap between rich regions and poor regions be narrowed.

The growth of stable political and social institutions requires that the bulk of citizens be integrated into the political and social life of society. Today, in most Latin American countries, the mass of rural people remain utterly cut off from the political life of the nation. Political democracy is the province of the few. It is not valued by the many who are hungry, impoverished and illiterate. Indeed, it is often viewed as a luxury for the few at the expense of the many.

If political democracy is to survive and to flourish in Latin America it must be proven that the neglected masses can enjoy the benefits which we associate with it. This presupposes a decent standard of living, of education and of health as an essential prerequisite to active participation in the political processes of society. Rural development and modernization is, therefore, a requirement in the path to the goal of first-class citizenship for all.

In discussing priorities for the Alliance for Progress, I should like to include at least a brief reference to the role which private voluntary associations must play. As many Senators know, I have long been a staunch advocate of emphasizing the people-to-people approach to foreign aid, of channeling aid through voluntary associations to the greatest extent possible. In Latin America there is a vast array of voluntary groups made up of both local and U.S. citizens. These agencies are often closer to the people at the grassroots level than those in official governmental positions.

I am pleased to note that the work of voluntary agencies in Latin America is receiving more attention from Alliance for Progress officials. I am happy to note a definite change in the attitude of Alliance officials in the past year toward voluntary associations. I believe that a good deal of the credit for this change in attitude within the U.S. Government should go to the U.S. Coordinator of the Alliance for Progress, Mr. Teodoro Moscoso. Today, there is a greater appreciation of the role that voluntary groups can perform, not only in alleviating the sufferings of the poor, but also in fostering needed economic and social development, and in introducing the political skills necessary for a functioning democratic government.

The important role played by voluntary associations of all types in promoting economic progress is also reflected in their contribution to the growth of stable political institutions. This point is too often overlooked. If the masses of Latin America, who have for decades remained outside the political process,

are to be capable of achieving and of exercising the rights of citizenship, they must acquire the skills and knowledge necessary for participation in the political process. These skills, and this knowledge cannot be acquired in an atomized society. It is the atomized society that is easy prey for totalitarian government. In one of the best capsule definitions of "totalitarian government," Hannah Arendt once defined it as the elimination of all subgroups between the individual and the state. Tocqueville remarked over a century ago on the many private voluntary organizations in the United States which provide the training ground, the school for acquiring the knowledge and experience which are necessary for political participation. Such elementary things as how to organize a meeting, run an election, conduct a debate, or decide a dispute issue are learned primarily in private groups and associations. Once having been learned there, they can be easily applied to participation in local, State, and National political life. Voluntary associations therefore have a vital role to play in accomplishing both the political and the economic aims of the Alliance for Progress.

One final point on what needs to be done. I have often said that if our contribution to the Alliance is to be effective, there must be strong programs in all important fields. We cannot be concerned only with our economic aid, but similarly with the success of our efforts in the political, informational, military, educational, and cultural fields. There are times when an educational exchange program is more important than a new road.

In the response which we received from Latin Americans on the report on the Alliance for Progress, we find this view corroborated.

One section in the report which attracted a great deal of attention from Latin Americans is the part in which we refer to the continued Marxist influence among Mexico's elite, particularly in the National University of Mexico. It concludes:

The continued Marxist grip on the minds of Mexican university ideological basis of communism is its principal attraction for educated groups, not its economic critique. It is for that reason that communism captures the university before the slum.

This is one more reason why more emphasis must be placed on education, on propaganda, on exposing both the elite groups and the public at large to liberal democratic ideas and institutions.

That is why the Congress, as well as the executive branch, must increase its attention to our programs for Latin America in the educational and informational fields. This means giving stronger support to our USIA, and State Department cultural-educational exchange programs, and, of equal importance, stronger support to the many valuable nongovernment programs in these fields.

The success of the Alliance, the success of the Latin American nations in mobilizing their own resources will depend in great part on their ability to avoid embroilment in costly military programs that contribute nothing to their

security. Some program of limiting military expenditures, of achieving arms control, is essential.

Our Government should encourage the Latin American nations to make an arms control agreement as broad as possible so as to limit the large amount of funds which are so often wastefully devoted to armaments. The current situation in which the small countries compete for military forces which are too large for their immediate needs, and far too expensive to be maintained without outside assistance, is deplorable and unacceptable.

The whole matter of arms assistance to Latin America requires immediate scrutiny. And it is not enough for the United States alone to take this initiative. It must be done in the OAS, because if we were to deny certain countries military assistance—and I think we should—they could get it someplace else. We must arrive at some kind of a hemispheric agreement on this matter, and quickly, for I am here to say that we will weaken and possibly cause the failure of the Alliance for Progress and all that the Alliance means unless something is done to implement an effective arms control agreement in this area.

This is where we can provide leadership. Instead of pouring money into arms—over \$50 million—we should diplomatically endeavor to bring about a complete arms control and disarmament agreement in the Western Hemisphere. We can provide the shield of protection those countries will need from outside forces. That these countries will expend their limited capital resources upon armaments is deplorable. It means they will not be able to use that money for the essentials of health, education, housing, agriculture, and industry, which is the only way they can possibly save themselves from being destroyed by a dictatorial power.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GRUENING. I very heartily approve what the distinguished Senator from Minnesota is saying. I do not quite follow him when he says that if we withdraw military aid from some countries, they will get it somewhere else. I think if we learn that in countries, where millions of poor, sick, undernourished, half-starving people live, their rulers are spending the limited funds available on armaments, we should stop sending them our dollars. I think we should not only cut out military aid, but should insist that they do not arm themselves and spend their money on arms which have nothing to do with defense, but which, as experience has shown, are used to overthrow duly elected governments. We should insist that they stop this nonsense and spend the money in helping their people. That is the objective and purpose of the Alliance for Progress.

Mr. HUMPHREY. I said it needed to be done through the Organization of American States. There may be a country like Costa Rica, which has no military organization—

Mr. GRUENING. And Costa Rica deserves the highest praise for it.

Mr. HUMPHREY. It deserves high praise. There may be another country that does not have any and does not spend money on military assistance. But if a third country, a border country, starts piling up arms, and there is a history of enmity between it and its neighbors, the other countries become concerned. What I am saying is that military assistance is essentially wasteful. That is the first point.

Mr. GRUENING. That is correct.

Mr. HUMPHREY. Second, in order to get rid of that kind of program, we ought to take the initiative in the Organization of American States to have an arms control and disarmament agreement among the Latin American countries. I believe that is the answer. That initiative has not been taken. The reason I mention it today is that it ought to be taken.

I am glad the Senator from Alaska has spoken. I know the Senator from Oregon has made a major issue of it. I joined in the effort to reduce military assistance to Latin American countries. Much of it is a sheer waste. It does not help those countries at all, but merely promotes regional animosity.

Mr. GRUENING. It is worse than waste. It is not only a waste of money that should go into economic development, but it leads to overthrow of the few democratically-elected regimes.

Mr. HUMPHREY. The Senator is correct.

Mr. GRUENING. There is one problem the Senator will have to face in proposing action by the members of the Organization of American States. It may be very difficult to get junta-controlled countries to enter into agreements like that. Those governments maintain themselves in power because they have big supplies of arms mostly furnished by the United States. Those countries have regimes in power that resulted from overthrow of civilian governments, and they are not going to join in such an agreement in OAS. What can be done when a majority of the countries in OAS do not join in such agreements?

Mr. HUMPHREY. First, we should deny juntas this assistance.

Mr. GRUENING. I could not agree more completely.

Mr. HUMPHREY. And if we cannot get full agreement in the Organization of American States, we can apply selectivity in the elimination or withdrawal of economic assistance.

Mr. GRUENING. I hope that will be the policy of the Congress and the administration.

Mr. HUMPHREY. These are little guidelines for those who administer the program.

I shall conclude my remarks, and then try to answer questions that may be asked.

If the Latin nations mobilize the resources needed to push ahead in implementing alliance social and economic programs, they will not be able to indulge in the unnecessary and nefarious luxury of missiles, hydrogen bombs, and nuclear or any other kind of submarines. If they should decide to indulge, for example, in the fallacy of competing for nuclear

weapons, they will do so at the expense of the welfare of their people. Today all the time and money and effort of the Latin American nations are required to meet the first challenge—the challenge of social revolution. Today the Latin American nations must decide whether they will follow peaceful revolution leading to progress, or violent revolution leading to tyranny. Today they still have an opportunity to make a choice. Tomorrow they may not.

The choice between peaceful revolution leading to progress and violent revolution leading to tyranny in Latin America is also a choice for the United States. Our commitments under the Alliance, as well as those of our Latin American neighbors, must be honored. Nothing is more harmful to our prestige, to our national image, and to our foreign policy interests than the appearance of reneging on commitments made. The recent action of the House of Representatives in drastically reducing the Alliance for Progress funds requested by the administration is interpreted in every Latin American country as precisely that. Most of the major Latin American newspapers, including those most friendly to the United States, did not fail to note that the House figure approved for the entire Latin American continent was only slightly above the total Soviet aid to Cuba alone.

I want that statement to "soak in." The amount that was approved by that one part of Congress for the entire Latin American continent was only slightly above the total amount of Soviet aid to one country alone, Cuba. I do not believe the Senate will concur in such a sharp reduction. I do not believe the Senate will join in reneging on our commitment. I am confident the Senate will do its duty to honor in full the United States commitment under the Alliance for Progress.

With this firm support of the United States, the Latin American nations can meet the internal challenge of social revolution. With the close and consistent cooperation between all Americans of this hemisphere, north and south, the Alliance for Progress can succeed, and I believe it will succeed.

I join in commending those who have contributed such great efforts to the program of the Alliance, and urge that they look upon this discussion of the Alliance, its strengths and its weaknesses, as a discussion in a friendly attitude of seeking to improve the program, and not in any way to weaken it.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. PROXMIRE. The Senator has delivered a great speech. We all acknowledge the Senator from Minnesota as one of the most brilliant orators in the Nation. This exposition of the Alliance for Progress has been badly needed, for many reasons, particularly because it is positive and constructive, and because it points out the many positive aspects of the Alliance for Progress.

I particularly appreciated the emphasis on self-help, on direct assistance to individual persons in Latin America, assistance to the poor people, the

campesinos, the workers who need the assistance. I also appreciated the Senator's emphasis on the Roman Catholic Church's contribution, which has changed so dramatically recently, and which is so constructive and useful; also the emphasis on rural areas in a developing country, because that is where most of the people live, and that is where standards must be improved and where we can make a contribution, particularly in contrast with the great failures of agriculture that the Communists have had.

I ask the distinguished Senator, who is a member of the Foreign Relations Committee and the majority whip, about the real crux of the situation. I believe that virtually all Senators approve of some degree of foreign aid. It is a question of how much. It is a question of how much we can afford.

The House, as I understand, has set forth in its report, at page 131, a total of over \$1 billion of estimated unexpended balances as of June 30, 1963. This includes \$79 million for Argentina, \$137 million for Brazil, \$81 million for Chile, \$75 million for Colombia, \$46 million for Peru, \$48 million for Venezuela, and a great deal of money for many other countries.

Is it true that these unexpended balances are committed or obligated in large part?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. Is that the explanation?

Mr. HUMPHREY. That is correct. One of the reasons why many of the unexpended balances have not been dispensed or actually expended in connection with projects is that, first, there may be a matter of local cooperation which does not meet our standards, or the planning has not been fully completed. I do not want to misinform the Senator, but I believe the unexpended balances are obligated. I should like to consult with Mr. Holt, the staff director of the Senate Foreign Relations Committee, who knows as much about Latin America as anyone, so that I may give an accurate answer to the Senator from Wisconsin.

The total nonobligated funds up to June 30, 1963, for the Alliance for Progress were \$90.8 million. That is the amount that is not obligated or put out on projects, the amount which has not gone through the tedious and sometimes very slow and laborious process at the AID administration level.

Mr. PROXMIRE. So, in effect, 90 percent of the overall \$1 billion has been obligated and committed, and it is now a matter of handling it in a cautious and prudent and careful way?

Mr. HUMPHREY. Yes. I was one of those who privately expressed some concern to AID officials about this amount of unexpended funds. I was told that one of the reasons that they were not spent was that we were insisting upon certain guarantees in the spending of the funds.

We have had some experience, as the Senator knows, with situations in which some of the so-called change was lost on its way to the program. We wanted to be sure that that did not happen.

Mr. PROXMIRE. The House provided \$450 million for the Alliance for Progress, plus \$200 million under other laws for Latin American aid, and the Senate committee would provide \$650 million plus \$175 million. Therefore, the Senate committee is about \$175 million above the House.

Mr. HUMPHREY. That is correct. The \$650 million figure represents an increase over the House figure.

Mr. PROXMIRE. There may be a good answer, but what concerns me is the fact that we are asking for this large amount even though up to 1960 the total aid to Latin America, although it fluctuated, averaged about \$300 million or \$400 million. Now it is nearly three times that amount.

Mr. HUMPHREY. That is correct.

Mr. PROXMIRE. We have certain unexpended balances, and we have trouble finding projects which we feel are sound and on which the funds can be expended. I wonder on what basis the Senator would justify going \$175 million above the House figure.

Mr. HUMPHREY. First, the programs in Latin America up to 1960 were very minor. There were primarily technical assistance programs, and most of them were conducted under the auspices of the Organization of American States. They were programs of the Public Health Service, and they were very limited. It is tragic that we did not do much more. We waited too long. The infection has set in, and now a heavier dose of treatment is required.

Since 1960 we have started to take a new interest in Latin America. The Senator may remember that Dr. Milton Eisenhower went to Latin America at that time. Then there was the Bogotá Conference; and the earlier stages of the Alliance for Progress were somewhat outlined in the 1960 period.

In 1961 we authorized the Alliance for Progress funds and really got down to the business of establishing the organization and asking the countries to establish planning agencies and develop project plans on a countrywide basis. We established standards for countries receiving grants and loans. Therefore, I believe it can be quite factually stated that until 1962 we did not really have much of a program in Latin America. The 1962 period was preparation and programing, and had to do with policy statements, in an effort to arrive at agreements that would facilitate projects, and with the staffing of organizations in Latin America. In some countries there were no plans. There were no planning bodies. Experts had to be employed to help design a plan.

Mr. PROXMIRE. It was a different program, a new program, so we insisted on certain conditions. Is that correct?

Mr. HUMPHREY. The Senator is correct.

Mr. PROXMIRE. We insisted on certain specific conditions. That seems to me to be wise. It is wise to insist on certain conditions if we are to have a successful program. I believe that one of the conditions was that for every dollar that we put into South America we insisted that a substantial contribution be made by the recipient country.

Mr. HUMPHREY. The ratio is about 4 to 1.

Mr. PROXMIRE. The Senator says 4 to 1. The countries receiving aid would have to invest their capital. I am concerned about this because it is my understanding that wealthy persons in these nations still follow the policy of depositing funds in anonymous Swiss accounts, and the capital is not staying in those countries, as it should. I wonder whether the Senator can inform the Senate on the success of that particular condition.

Mr. HUMPHREY. There is no doubt that there has been so-called flight capital from South America on the part of some of the ruling cliques—we use the word "oligarchies"—by some of the people who have little faith in their country. Those people undoubtedly have sent their capital off to Swiss banks and New York banks, or at least out of the country, and have not kept their capital at home to use it. However, that is not true of governments; it is true of certain individuals.

I took this question up with the Treasury Department and the State Department, and about 6 months ago I received a report to the effect that as to the amount of flight capital, which I had indicated was exaggerated substantially, actually more new capital was coming into Latin America than was leaving. But I would not want to mislead the Senator. I think there is far too much flight capital. One of the reasons for that is that we have been insisting upon certain tax reforms and social reforms, which the rich, who have had things their own way for so long, refuse to abide by. So they get out with their money. However, we are doing many things today, privately and governmentally, to encourage an inflow of capital. I believe this activity has been working quite well in certain countries.

Mr. PROXMIRE. Is there any arithmetical report to show the amount of South American money that is being contributed to match our capital? Is the ratio 4 to 1?

Mr. HUMPHREY. So far the the Alliance for Progress projects are concerned, the relationship pretty well accords with what was agreed upon at Punta del Este. I have received a little advice and counsel from the staff which shows me that the program really operates quite well. For every \$20 million that we put into a project, about \$80 million is contributed by the recipient government.

Mr. PROXMIRE. Has it been found that that is being done?

Mr. HUMPHREY. Yes; it has been done on many projects, except those projects with respect to which we make grants.

Mr. PROXMIRE. For loan programs, but not for grants?

Mr. HUMPHREY. But for development programs, if we total what is being done in a country, a substantially larger amount is being contributed by the country, and the persons in that country, than is contributed by the United States; and that is as it should be.

Mr. PROXMIRE. What is the situation with respect to the grant programs?

Mr. HUMPHREY. We contribute much more in the grant programs than we do in the loan programs. We may pay more for projects in grant programs, but not always. We provide some financial aid in the form of grants for schools, but the recipient countries contribute the labor, raw materials and land. The United States provides them with certain raw materials that are not otherwise available, and with certain technical assistance for the building of schools.

Mr. PROXMIRE. Was it not conceived at the time the Alliance for Progress program was under discussion that the Latin American countries would match our grant money?

Mr. HUMPHREY. I believe so. In the main, they have matched our grant money; but I was trying to be quite careful and specific. I would not want my remarks to be reexamined later and have someone say, "He did not tell all the truth." I believe there are some projects in which we have contributed more than the recipient country. However, in the main, I think they match what we contribute, overall, even if we may contribute more to a specific project.

Mr. PROXMIRE. What about land reform?

Mr. HUMPHREY. This is usually done by the recipient country out of its local capital or with loans made by IDB from AID.

Mr. PROXMIRE. The Senator in his speech laid perfectly proper emphasis on rural progress; but if there is to be rural progress, it is necessary to have land reform. There must be good land, fertile land, in the hands of the campesinos or small landowners, so that they can operate family farms. If good land is not available, no matter how much money is put into the project, the activity will not be successful. How is the land reform progressing?

Mr. HUMPHREY. It is progressing well in some countries. I have received unanimous consent to have printed in the RECORD, following my remarks, a study on land reform. I believe the Senator will find it quite helpful. It deals not only with land reform, but also with tax reform.

Mr. PROXMIRE. My next question was to have been about tax reform.

Mr. HUMPHREY. It has begun in many countries, though there is still a long way to go.

Mr. PROXMIRE. We have made this a condition for our assistance, have we not?

Mr. HUMPHREY. We have consistently advocated tax reform, that is what has caused more trouble in terms of flight capital than any other thing. In country after country, we have withheld money for project after project because tax reform had not been undertaken.

Mr. MORSE. Mr. President, will the Senator yield for a comment in a lighter vein?

Mr. HUMPHREY. I yield.

Mr. MORSE. I wish the Senate could proceed as rapidly with tax reform as some countries in Latin America are proceeding.

Mr. HUMPHREY. I wish we could, too; I am afraid we are contesting with them as to who will come out second.

Mr. PROXMIRE. What about monetary reform, a point we were discussing a little earlier? Many of the Latin American nations have been plagued by crushing interest rates. Because they have been suffering from inflation, it is difficult to accomplish monetary reform. As I understand, monetary reform was not a stated condition of Alliance for Progress assistance. However, in my judgment, it is as essential as land reform and tax reform. What progress has been made in that area?

Mr. HUMPHREY. I am quite convinced that this is a vital part of any program we have with the Latin American countries. We surely will want to submit a report on it. Obviously, a country like Brazil is a classic example of a need for some fiscal or monetary reform. Our Government has indicated to Brazil the importance it attaches to monetary reform.

Mr. PROXMIRE. I thank the Senator from Minnesota. Once again I commend him upon making a most helpful speech.

Mr. HUMPHREY. If the Senator will read in the RECORD tomorrow the text of a paper I have offered on tax reform, he will find it reassuring. AID has initiated a number of programs through the cooperation of business schools—for example, Harvard University School of Business Administration, the Internal Revenue Service of the Treasury Department, the Brookings Institution, and others. With the assistance of these fine institutions and Government agencies, a program of tax reform has begun in many Latin American countries. The U.S. Government has trained a number of Latin Americans in the field of taxation, in tax collection, in setting up accounting systems, and for the establishment of proper tax offices in a Government agency.

For example, in the fiscal year 1963, the Government of Argentina, by tightening up on tax collections through a training program that we offered and tax reform, 215,000 new taxpayers were placed on the tax rolls. Some of the taxpayers were big ones. This has yielded \$100 million in new revenues.

Due to improved tax collections and recent tax reforms, Brazil is expected to collect more than \$200 million in increased revenues. A tax law was passed last November raising the income taxes.

In Chile, there has been a considerable effort toward tax reform. This is one of the countries where tax reform is really needed. Chile has a training school and has trained in the past year 375 new inspectors and assessors. Chile's tax collections have increased substantially.

In Colombia, income taxes now provide 40 percent of the total revenue; a few years ago, they provided little or none of the revenue.

In Panama, income-tax collections are at a record high. There has been a 40-percent increase over the previous year.

The Dominican Republic—and I think this is one of the reasons why that country may have had a coup—passed one of the roughest income tax laws, reaching 63 percent of the top brackets of income.

Some of the persons having larger incomes did not like the law.

In Venezuela there has been tax reform of a substantial degree. The amount of tax receipts increasing by more than 30 percent.

In a number of countries good progress has been made. If one were to examine into each of those countries, he would see that there is much more that needs to be done. But great progress has been made.

It is to the credit of the Alliance for Progress that it has adhered to its standards.

Mr. PROXMIRE. I hope we shall continue to insist on such standards. They are absolutely essential if we are to achieve our objective, and if those countries are to grow and resist communism and have the kind of broad-scale ownership participation in the economy that is essential to freedom.

I hope we shall not be satisfied with the progress that has been made. We should insist that it continue. This is an encouraging beginning; but it is only one step in a long journey.

Mr. HUMPHREY. The question of flight capital is discussed in one of the papers I have received unanimous consent to have printed at the conclusion of my remarks. While flight capital was a troublesome problem a couple of years ago, the situation is now rather stable. The trouble now is to bring the capital that left the Latin-American countries back to those countries. That activity will have to be related to political stability.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I congratulate the Senator from Minnesota for the general tenor of his remarks. My wife and I spent some time in Colombia and Venezuela last December and January. For the sake of the RECORD, I may say that the trip was at our own expense. I try to keep in touch with developments in Central America and in the Caribbean. I am a most hearty supporter of the Alliance for Progress.

It may possibly be that we should ask experts from some of the countries which have reformed their tax systems to come to this country and help us collect our taxes in a better way. I have just obtained a table, which has been circulated inside the Treasury Department, showing that in the year 1959, five Americans having gross incomes in excess of \$5 million in that year did not pay a single cent in taxes. And there were 10, with incomes between \$500,000 and \$5 million, who did not pay 1 cent of tax. Moreover, their gross taxable income did not include interest on State and municipal bonds, writeoffs for intangible drilling and developmental costs in the oil industry, and certain other items such as excluded capital gains, as well. So we have a very black record, I may say; and, as the Senator from Oregon and the Senator from Minnesota have implied, it seems to be very difficult for us to put through any income-tax reform.

But, as regards Latin America, let me ask whether there appears anywhere a breakdown as to how the Alliance for

Progress intends to distribute these funds, country by country? I know this information generally is concealed or is not stressed.

Mr. HUMPHREY. Yes. The books, country by country, outlining the proposed projects were before the Foreign Relations Committee.

Mr. DOUGLAS. Is that information included in the hearings record?

Mr. HUMPHREY. I do not believe so.

Mr. DOUGLAS. Would it be a violation of confidence to place it in the CONGRESSIONAL RECORD?

Mr. HUMPHREY. The problem is that when it is made public, one country is inclined to say, "Country X is getting so much money; why are we not given a similar amount?"

Mr. DOUGLAS. I understand.

Mr. PROXMIRE. We know that, anyway.

Mr. DOUGLAS. I understand.

Mr. HUMPHREY. The Senator from Wisconsin says "We know that, anyway"; and I believe he is correct. I have not been pleased with the rule—which we adopted several years ago—that we should eliminate from the hearings statements of the items country by country. However, that information is available. I now show the Senator from Illinois the booklet; and I encourage all Senators, before they vote on the bill, to carefully examine this book. It shows, for example, the items for Argentina, Brazil, El Salvador, Guatemala, and Honduras; and in this book Senators can find reports which give a rather concise analysis of the amounts we have sent to each country, the amounts we now intend to send there, the projects, and their present development.

Mr. DOUGLAS. The Senator from Alaska has submitted a most interesting amendment, as I understand—one to deny aid to countries in which the governments have come into power because of a military coup d'etat. I am not sure that I shall vote for the amendment in its present form; but certainly I am in agreement with its general principle, and certainly I would say we should give a special bonus to countries which are maintaining democratic institutions, under great pressure. I refer particularly to Venezuela, Colombia, Costa Rica, and El Salvador.

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. And, in northern South America, to Bolivia.

Mr. HUMPHREY. And also Mexico and Chile.

Mr. DOUGLAS. Yes. I am not at all certain about Peru. But I think we should be very careful about giving aid to Santo Domingo and Honduras, where the present governments have come into power by means of revolution and military coup d'etat. I hope Congress will take, on this matter, some general stand which will be strongly influential upon the aid we give, instead of being treated as merely a pious pronouncement which these countries can read and then can throw into the wastebasket.

Mr. HUMPHREY. I agree with the Senator from Illinois; and I have tried to make that point clear today. I so stated in the committee, and I so voted

in the committee; and I intend to so vote on the floor of the Senate.

Mr. DOUGLAS. Does the Senator from Minnesota believe that the present provisions on that subject, as now set forth in the bill, are strong enough?

Mr. HUMPHREY. I think the present provision is rather good—as follows:

SEC. 254. RESTRICTIONS ON ASSISTANCE.—None of the funds made available under authority of this Act may be used to furnish assistance to any country covered by this title in which the government has come to power through the forcible overthrow of a prior government which has been chosen in free and democratic elections unless the President determines that withholding such assistance would be contrary to the national interest.

Mr. DOUGLAS. Is that provision retroactive?

Mr. HUMPHREY. No. It applies to countries in which the governments now in power have come into power through coup d'etat or juntas—for example, the juntas in Honduras and in the Dominican Republic. Under this restriction, those countries would be denied such funds. Under this provision, the President is given authority to offer funds, but only if he finds that is in the national interest of this country; and the burden of proof would be upon the President. We may even wish to strengthen that provision; but I want the Senator from Alaska to know—for one day he said to me, on the telephone, that he would like me to watch out for that provision, since he had a keen interest in it, as did the Senator from Oregon—that I tried my best to get the original language proposed by the Senator from Alaska included in the bill. The committee finally settled upon the language I have just read to the Senate, and backed it up by rather strong language included in the report, as follows:

GOVERNMENTAL CHANGE BY COUP D'ETAT (SEC. 106 (D))

The committee has been gravely concerned over the number of elected governments in Latin America which have been overthrown by force in recent months. The Charter of the Organization of American States declares in article 5(d) that "the solidarity of the American States and the high aims which are sought through it requires a political organization of those states on the basis of the effective exercise of representative democracy."

The Conference of Foreign Ministers of the American Republics at Santiago, Chile, in August of 1959 declared that "the existence of antidemocratic regimes constitutes a violation of the principles on which the Organization of American States is founded, and endangers the living together in peaceful solidarity in the hemisphere * * * and, * * * The governments of the American Republics should be derived from free elections."

The forcible overthrow of duly elected governments is a step entirely out of harmony with the principles of the inter-American system and of the Alliance for Progress. It is difficult to see how the economic and social goals of the Alliance can be achieved in the face of such political instability. Thus, assistance furnished to irregular governments is unlikely to accomplish the purposes of the Alliance for Progress.

Furthermore, such assistance may very well encourage ambitious militaristic forces elsewhere in the hemisphere to believe that they too can carry out coups d'etat with im-

punity and continue to receive American aid and otherwise to participate in the Alliance for Progress. It is important that vigorous steps be taken to dispel this dangerous delusion. The Alliance for Progress is threatened from both left and right in Latin America. The United States has gone to considerable lengths to protect the Alliance from the threat from the left represented by Castroite subversion and infiltration. It is equally important that the Alliance be protected from the threat from the right represented by the forces of the ultraconservative traditional oligarchies.

Finally, there is at stake here the credibility of the United States, whose ambassadors, speaking for this Government, have repeatedly warned Latin American military leaders that the United States would look with disapproval on the overthrow of constitutional governments. If our word is to be believed in the future, we must follow through on these warnings by concrete steps to express disapproval.

For these reasons, the committee has adopted an amendment—

And so forth.

Mr. GRUENING. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. GRUENING. I am in hearty agreement with the comments of the Senator from Illinois; and I believe the language the Senator from Minnesota has read is adequate. It is forthright, and it shows the committee's purpose. But I would make one reservation. There is a reservation in the language that if the President decides that this provision is contrary to the national interest, it is void. But, in practice, this means that some subordinate official, who may not be at all in sympathy—and recently a high official of the State Department said some juntas are good, and some are bad, but that we must not rule them out—can decide. If the decision, theoretically made by the President, actually is made by a subordinate official, the result might be to nullify the entire purpose. So I think we must watch that very carefully.

Mr. HUMPHREY. The Senator has raised a flag of caution which I am quite sure will be observed by the responsible authorities in our Government. It is well known that the President of the United States is fully aware of the attitudes of certain Senators—and I believe the majority of the Members of this body—on the question of juntas and military coups. I do not believe—and I hope that I am correct in my belief—that a minor official in the Government—someone other than the President or the Secretary of State—would be making a decision that would permit assistance to go on unabated and uninhibited to the juntas and military coup takeovers. I believe that one of the purposes of the debate is to make it crystal clear that while we do not wish to tie the President's hands and leave him in a diplomatic straitjacket, we expect that the objectives of the Alliance for Progress and the statements of principles of the Organization of American States will be fulfilled by our Government.

The objectives and criteria laid down are quite specific, namely, representative government, constitutional government, democratic institutions. The language

in the bill clearly expresses the view of the majority—not merely the majority but all the members of the Foreign Relations Committee; and I am confident that it will express the view of the vast majority of Senators. I do not believe that the President or the Secretary of State would permit minor officials to make such a decision. The important decisions of the recent past have been made at the highest level, as they should.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. GRUENING. If I correctly interpret the remarks of the Senator from Illinois, he said that we should be selective in our basis of aiding countries, and that we should aid them more generously when they fulfill the prescription of the Punta del Este Conference and the principles laid down by President Kennedy, that such democratic regimes—regimes that want to help themselves, regimes that have a social conscience, and regimes that want the funds to be distributed throughout the entire body politic and not merely to the few on top—regimes that make sure our funds will be honestly administered, with purpose to achieve these desirable objectives and are working with us—should have our aid. I think the countries mentioned by the Senator from Illinois are eminently entitled to that kind of preference.

Mr. HUMPHREY. I thoroughly agree. I would be more than happy to support an amendment to the bill which would require that kind of priority and that kind of emphasis. Countries that stand by the principles of the Charter of Punta del Este, the principles of the Organization of American States Charter, and the principles that we have laid down for receiving our aid, should be rewarded. Such a rule is a way to express our disapproval of countries that violate those principles.

Mr. GRUENING. May not the result be that nations which are not following the policies will be far more likely to move into line and follow the example of the more enlightened countries that are following more democratic and intelligent policies, and in consequence are receiving our aid? Will not those enlightened countries set an example to the recalcitrant nations that are not cooperating and not doing anything to make the Alliance for Progress successful?

Mr. HUMPHREY. In his authority under the terms of the act, the President of the United States has followed, in several instances, the very doctrine that is being described. For example, I point to Venezuela, where there is a pro-democratic, friendly, responsible government that has had to fight for its life. Our Government and the President of the United States have made it unqualifiedly clear that that is the kind of government of which we approve. We support it with money and, if need be, with our strength, to maintain it as a free institution and a free government. We did the same thing in Colombia. It should be noted that President Kennedy's first two visits to Latin America were to Venezuela and Colombia. The

second two were to Mexico and Costa Rica.

We so acted in relation to the Dominican Republic immediately after the election of Juan Bosch. We now wish to make sure that that junta is not rewarded after having taken over. I think we have expressed rather firmly today our concern over that subject.

Mr. GRUENING. The Senator from Minnesota pointed out that possibly one of the contributing factors of the coup in the Dominican Republic is that President Bosch was putting through a taxing program when there had been no effective or just tax program. He was putting through a land reform program, and the powers that always had monopoly control—the little feudal group at the top, the successors of Trujillo—opposed that program. That was one of the motivations of the coup d'état. It is therefore absolutely essential that the United States adhere to the determination not to recognize these usurpers, and to make crystal clear that we will not restore recognition; that we will not restore aid until the constitutional regime which was elected freely—perhaps the first ever in the history of the Dominican Republic—is reestablished.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Illinois.

Mr. DOUGLAS. I heartily approve what the Senator from Alaska and the Senator from Minnesota have said. I only hope that it may come true. There is always a good deal of suspicion and friction between the permanent civil servants and the legislative bodies. Sometimes we are extremely unjust in our judgment of them. I think it is frequently true that they are somewhat unjust in their judgment of us. I believe there is a common tendency on the part of the Foreign Service to believe that Congress does not know much, if anything, about foreign affairs and that they know best, and they so interpret the laws which we pass that the laws conform to their prejudices, interests, and opinions.

We have all been very much shaken by the recent memorandum of Assistant Secretary Martin, issued after the revolution in Santo Domingo and after the revolution in Honduras which, while not exalting juntas as a permanent policy, was certainly a plea in mitigation. I do not wish to make any attack upon Mr. Martin. I know him slightly. I think he is a very decent individual. But I am sure that he speaks the opinion of a large section of the Foreign Service of the United States. The President cannot watch everything. He has great tasks on his hands. I am not at all certain that our aspirations, hopes, and instructions will actually be carried out.

In that connection, is there not a possible loophole in lines 10 to 12 on page 39 of the bill, which states:

None of the funds made available under authority of this Act may be used to furnish assistance to any country covered by this title in which the government has come to power—

And so forth.

Mr. HUMPHREY. I see the language.

Mr. DOUGLAS. In response to the question of the Senator from Wisconsin, the Senator from Minnesota said that more than \$1 billion of unexpended balances had been appropriated under previous acts. Cannot the Foreign Service of the United States say, "This restriction applies only to additional funds authorized or appropriated under this act, but does not apply to the unexpended balances and previous commitments"?

I notice that the Senator shakes his head, and that the staff authority shakes his head. For the sake of the record let it be said that the whip and the staff director shake their heads. But is that action binding upon the Foreign Service and upon Assistant Secretary Martin?

Mr. HUMPHREY. I do not wish the Senator to think that by a shake of my head I was able to shake up the Foreign Service. I am not even saying that it needs to be shaken up. But I am saying that the language of the amendment to the bill, H.R. 7885, which is "an act to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes," including the word "act," relates to the act of 1961.

Mr. DOUGLAS. Not this particular bill?

Mr. HUMPHREY. It relates to this particular bill, also.

Mr. DOUGLAS. Let that be clear in words of burning steel and sent down to the State Department and the Latin-American desk.

Mr. HUMPHREY. I believe there are representatives within the precincts.

Mr. DOUGLAS. That is why I raised my voice, so that they might hear.

Mr. HUMPHREY. They will have no trouble understanding the vigor with authority of this act. That word "act" has been spelled out. Section 254, on page 39 of the bill is entitled "Restrictions on Assistance." It reads in part: "None of the funds made available under authority of this act." That word "act" refers to the Foreign Assistance Act of 1961, as amended. The pending bill is but an amendment and extension of that act. The word "act" includes everything legislated in foreign assistance acts since 1961.

Mr. DOUGLAS. Then let it be made clear that unless the President should declare otherwise this would cut off any aid to Santo Domingo and to Honduras; is that not correct?

Mr. HUMPHREY. The Senator is correct.

Mr. DOUGLAS. Would it cut off aid to Peru?

Mr. HUMPHREY. It would not cut off aid, because Peru now has a duly constituted government.

Mr. DOUGLAS. How did it come to power?

Mr. HUMPHREY. It came to power as a result of a most recent election.

Mr. DOUGLAS. Are we going to legitimize the Government of Peru?

Mr. HUMPHREY. There was a junta in Peru, which I vigorously protested and criticized on the floor of the Senate a dozen times. The junta threw out the victor in the election of 1962. Our Government then brought pressure to bear upon that junta. Elections were called for in June of this year.

Free elections were held in June. They were supervised elections. We observed them. Fernando Belaunde Terry was elected president, and a congress was elected. I believe the Congress of the United States sent a delegation, headed by the distinguished Senator from Oregon [Mr. MORSE], which attended the inauguration of the new President.

A duly constituted government is in power in Peru today, and I hope and pray that it will endure.

Mr. DOUGLAS. What is the interpretation of the Senator from Minnesota on the Government of Argentina? Is that a revolutionary government or is it a duly-elected democratic government?

Mr. HUMPHREY. It is now a duly elected government.

Mr. DOUGLAS. When was it given absolutism?

Mr. HUMPHREY. Argentina recently had a free election.

Mr. DOUGLAS. I see.

Mr. HUMPHREY. Representatives of the Congress attended, as did representatives of the President.

Mr. DOUGLAS. What about the Government of Haiti?

Mr. HUMPHREY. So far as I know, the Government of Haiti is a dictatorship. If I had my way, all aid would be cut off from Haiti.

Mr. YARBOROUGH. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I am glad to yield.

Mr. YARBOROUGH. Is not the President of Peru, Mr. Belaunde, a graduate of the University of Texas?

Mr. HUMPHREY. That is one of his many qualities. Yes, he is a graduate of the University of Texas. We can always rely on the Senator from Texas to arrive at the climactic moment to put his blessing upon any Texan who holds a responsible position.

Mr. DOUGLAS. What is the status of Haiti? Is that a revolutionary government; or is it a legislative, democratic government?

Mr. HUMPHREY. The Senator from Illinois knows the answer to that question.

Mr. DOUGLAS. No; I do not. I know the answer that I would give, but I do not know the answer the State Department would give.

Mr. HUMPHREY. I cannot answer for the State Department, of course, but I will help coach the State Department.

Mr. DOUGLAS. How would the Senator coach the State Department?

Mr. HUMPHREY. I would coach them by saying it is a dictatorship, that it is unworthy of support by the Government of the United States. I said so in the hearings 2 years ago. I insisted that aid be cut off from Haiti because the President of that country has exercised dictatorial power at the expense of humanity and all the principles of justice.

Mr. GRUENING. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Minnesota yield to the Senator from Alaska?

Mr. HUMPHREY. I am glad to yield.

Mr. GRUENING. Granting the very specific stipulations which the Senator

from Illinois has wisely propounded, is it a fact that under this new provision all economic aid would be withdrawn from the Dominican Republic?

Mr. HUMPHREY. That is correct.

Mr. GRUENING. And also all military assistance programs?

Mr. HUMPHREY. Yes, that is correct.

Mr. GRUENING. And also the Peace Corps?

Mr. HUMPHREY. No. I do not believe the Peace Corps should be included, and I should like to make that clear.

Mr. GRUENING. For the record, it is important that be stated.

Mr. HUMPHREY. Yes. Later, as we come to the section in the bill which I believe would exclude the Peace Corps, I shall say something about it because I believe the Peace Corps should not be used as a sort of weapon in the diplomatic struggle. Let us try to keep the instrumentality of the Peace Corps on a very high plane, people to people. Our young people are working in the Peace Corps and doing the job of working primarily with people and not with governments. So I would hope we would not exclude the Peace Corps from any of these countries.

Mr. GRUENING. How about contributions through the United Nations from the United States to the Dominican Republic?

Mr. HUMPHREY. I doubt that we could have any control there, nor do I believe we should have, because if we should start that, we would encourage the Soviet Union to say, "We do not believe the funds we have contributed in this special fund should be used to make contributions to countries X, Y and Z."

Mr. GRUENING. I am not prepared to dispute that, but I call attention to the fact that I have discovered 21 "spigots" through which foreign aid is poured out to various countries. Many of these are not included in the legislation, but I believe that is something we should be vigilant about.

Mr. HUMPHREY. I am sure the Senator from Alaska will exercise vigilance. I am trying to get hold of the handle of this spigot in my effort. This spigot is a big one; and when one opens it, it really splashes. If one closes it, it is surprising how thirsty some people get.

In connection with Haiti, I should like to make it clear that Haiti does not receive any substantial aid from the United States at present and would not qualify under the provisions of the pending bill. It receives financial aid only under Public Law 480 and through a military control program.

Mr. DOUGLAS. Would I be pressing the Senator from Minnesota too far if I were to ask him whether Guatemala is eligible?

Mr. HUMPHREY. The Senator from Illinois certainly is pressing, but he is a fearless man and an honest man, and he deserves a courageous and honest answer.

I should say that under the provisions of section 254, unless the President of the United States felt that it was of overriding national interest, Guatemala would not be eligible.

Mr. DOUGLAS. I thank the Senator from Minnesota. I agree with him thoroughly. So we have made it clear, have we not, that the intent of the bill and the intent of Congress, unless reversed by the President, is that there should be no further economic aid or military assistance to Santo Domingo or to Honduras. Have we not also made it clear that, if a revolution should occur in El Salvador, they would receive no aid?

Mr. HUMPHREY. Does the Senator mean by a junta or a coup?

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. Yes. El Salvador is desperately trying to make its government work. They have a fine program, and they have a President who is a moderate, a middle-of-the-road man. He cannot be looked upon as a radical. If that government were to be destroyed by a junta or a coup d'etat, I would hope the President of the United States would make it clear within the hour that not one nickel would go to them.

Mr. GRUENING. We have an excellent Ambassador there.

Mr. HUMPHREY. Yes. Ambassador Williams is one of our best Ambassadors. He has done a remarkable job in El Salvador. Substantial progress is being made there.

Mr. DOUGLAS. Would I weary the Senator from Minnesota too much if I asked another question?

Mr. HUMPHREY. No; of course not. However, I do not wish to make the Senator from Alaska wait much longer, because I know he has a dramatic and memorable address to deliver in support of the bill.

Mr. DOUGLAS. Costa Rica is one of the finest Latin American States. It has no army. It has had no revolution. Any change in government takes place peaceably. There is a very low rate of illiteracy, probably the lowest of any Latin American country. I do not believe there is any danger of an internal revolution in Costa Rica. The land is fairly well distributed. Democratic institutions are strong. But Costa Rica has a neighbor, Nicaragua, and Nicaragua has been hostile to Costa Rica. At one time it had its army poised on the border. I believe I may have played a minor part in getting some American airplanes down there to fly over the border to discourage the Nicaraguan troops from actually invading Costa Rica. There is always that threat to Costa Rica.

Suppose Nicaragua were successful in overthrowing the Government of Costa Rica, and set up a pro-Nicaraguan government inside Costa Rica. What would be the attitude then? Would aid go to such a government imposed from the outside, just as the Communists succeeded in overthrowing the democratic Government of Czechoslovakia?

Mr. HUMPHREY. We would be faced with two situations. The first would be possibly an instance of aggression. If that were the case, it would have to be taken up with the Organization of American States.

Mr. DOUGLAS. Which would do nothing.

Mr. HUMPHREY. That is not always the case. Secondly, and more impor-

tantly, if the country of Costa Rica were overthrown by subversive instruments or agents—I gather that is what the Senator thinks would be done—and not by overt military action—

Mr. DOUGLAS. Well—

Mr. HUMPHREY. Let me get to the point. If Costa Rica were overthrown or occupied by another state, that government would be denied all assistance under the bill.

Mr. DOUGLAS. Good.

Mr. HUMPHREY. Furthermore, the aggressor would be denied such assistance.

Mr. DOUGLAS. Let the Latin American Division of the State Department take notice of that.

Mr. HUMPHREY. I believe it did.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I think it would be much stronger than that. I think if there were an invasion by Nicaragua of Costa Rica the United States would go to the assistance of Costa Rica.

Mr. GRUENING. If the Senator will yield, the Senator from Oregon is coming to my side when he says that there is a time when the United States has a right to intervene when a government is overthrown.

Mr. MORSE. Any time the Senator from Alaska wanted me to join him on that set of facts, I would have been glad to join him.

Mr. HUMPHREY. Mr. President, so the RECORD will be clear, I think it should be said that at this time there is no known threat from Nicaragua. It could happen, but there is no threat at this time. We are talking about a hypothetical case. I want to be sure we do not in any way have the RECORD indicate that such a hypothetical case is a reality, or a probability. But, in terms of a hypothetical case, if there were aggression, we would be committed, under the Treaty of Rio, to come to the assistance of the victim of the attack. We would have the instrumentality of the OAS, which is less than effective, but at least we would have that.

Mr. DOUGLAS. Mr. President, that is the understatement of the year.

Mr. HUMPHREY. I am becoming very modest.

Further, we could cut off aid to the aggressor, and whoever was the puppet of the aggressor, not only under this act, under all other acts.

Mr. GRUENING. In other words, we would have an aid overkill?

Mr. HUMPHREY. That is a good way to express it.

Mr. DOUGLAS. Mr. President, the Senator has enunciated an admirable statement of policy, which I hope will be borne out. Is there any way to make this policy effective on the CIA?

Mr. HUMPHREY. I think the Senator goes far beyond my capabilities. Let me say only that President Kennedy is much concerned over the Alliance for Progress and its success and over our relationships with the republics in the Latin American countries, so that every effort will be made to repel aggression, to deny any form of assistance to those

who violate constitutional governments and overthrow constitutional governments, and also to exercise a restraining hand, in light of recent experiences, upon instrumentalities of the Government of the United States in case such instrumentalities should get out of hand.

Mr. DOUGLAS. I do not want to abuse the CIA. It has done many fine things, but I think the experience in Egypt in 1956 sends up a warning flag. It will be remembered that the State Department, which was then headed by Mr. John Foster Dulles, took a somewhat strong stand toward Egypt in its seizure of the Suez Canal, and sent out Mr. George V. Allen, who was then the Assistant Secretary of State. I am not sure whether he came from the State of Texas, but he came from North Carolina—

Mr. HUMPHREY. The Senator can be sure that if he came from Texas, the Senator from Texas [Mr. YARBOROUGH] would have jumped up and told us about it.

Mr. DOUGLAS. Some weeks later Colonel Nasser made a speech at Alexandria in which he said he had heard about the projected trip, but that a highly placed American Government official had called upon him and told him not to pay attention to the representations of Mr. Allen; that he did not speak for the American Government, and that Nasser should pay no attention to him.

Nasser heard some expressions—I do not know whether they were correct or not—to the effect that he was urged to “kick that man downstairs.” Nasser said he exercised great forbearance, and did not kick him downstairs. This naturally excited curiosity as to who the man might be.

I went to Egypt shortly after the Suez incident. I went up and down the Suez Canal, which was then blocked, and made some inquiries as to who the man was.

When I went there I thought it was the previous American Ambassador, Mr. Byroade, who had given some rather extraordinary testimony, I believe, that he did not know who was in power in the neighboring country of Tunisia. I must say that after my inquiries there I became convinced that I had unintentionally done Mr. Byroade an injustice. Now, 7 years after the fact, I wish to apologize publicly for entertaining such erroneous thoughts about Mr. Byroade. But I have cited the established facts to show that a leading citizen, who bore, and I think still bears, the name of a distinguished American family participated in an incident in which the CIA took over the direction of American foreign policy and persuaded a foreign government, with which we were on unfriendly terms, to adopt a contemptuous attitude toward an official of our Government. I think the record, if gone into, will bear out what I have said.

I see the Senator from Minnesota smile when I mention this. I do not know whether it is a confession of guilt or not—

Mr. HUMPHREY. It is an expression. Mr. DOUGLAS. But it will be borne out. This is a difficult problem, but essentially the policy must be not merely

the policy of Congress, not merely the policy of the State Department, but the policy of all parts of the U.S. Government; namely, that we will not waste money in revolutions in Latin America that overthrow peacefully constituted governments.

Mr. HUMPHREY. The only way I know we can make sure this type of coordination exists is to rely upon the Chief Executive of the country. If we were to write the policy into law, it would make no difference. The President of the United States has the responsibility for the conduct of our foreign policy. He is responsible for the control of the Armed Forces of the United States. He has command and control over all the agencies of Government in the executive branch, and the CIA is one of those. I do not know anyone who could do it except the President.

I have the feeling that this President, who is an active man, an intelligent man, and is constantly at the job of supervising the foreign policy of the country and the foreign relations of our Nation, would see to it that there was no conflict of command such as the Senator has outlined in the previous instance. I must place my complete confidence in the President, and I have confidence in him.

Mr. DOUGLAS. I have, too. The question is whether he can control all the more or less autonomous bodies that have grown up, and which frequently function in secret.

Several Senators addressed the Chair.

Mr. HUMPHREY. I want to be able to conclude my part of the discussion. I do not mean to cut it off, but I want the Senator from Alaska [Mr. GRUENING] to have his day in the Senate on his message.

There are examples that are disturbing. The Senator has brought to our attention an example. There may be disagreement as to all the details, but there was some problem with CIA in the instance of Egypt. We must rely upon the President of the United States, in light of that example, to keep a pretty close watch and control over the activities of any of the sensitive agencies, particularly the Central Intelligence Agency.

There are those of us in Congress who feel that a form of control ought to be exercised over CIA. For example, I have proposed a joint committee on national security, which would have overall supervision of the Central Intelligence Agency, as well as other agencies.

My distinguished colleague [Mr. McCARTHY] proposed a special committee in Congress, to have a type of supervisory jurisdiction over CIA.

The majority leader made a proposal of that kind.

I believe the time is at hand when we may have to take some legislative action. I believe it is necessary. However, under present circumstances, we must rely upon the President. I am sure he now recognizes, in light of Cuba, Vietnam, Egypt, and other places, that the CIA plays a very powerful role in American policy and in the conduct of our operations overseas, and therefore it must be as closely coordinated and supervised as any other department of the Govern-

ment, and must not be permitted to operate on its own.

I will not make any accusations or charges, because I do not know enough about what the CIA has done or has not done. I know that there has been enough concern expressed so that some things may not be right.

I now yield to the Senator from Texas. Then I wish to yield the floor.

Mr. YARBOROUGH. I thank the distinguished senior Senator from Minnesota for yielding to me. I rise only because of some statements that were made to the effect that Mr. Allen might have been from Texas, that he went to Egypt as a representative of the President, and that another American told Colonel Nasser to kick him down the stairs. I only rise to say that if Mr. Allen were from Texas and were in Egypt on orders of the President and had Colonel Nasser attempted to kick him down the stairs, it is more than reasonable to assume that Colonel Nasser would have reached the bottom of the stairs first.

Mr. HUMPHREY. Long live Texas. The spirit of the Texans is what really sustains us in these moments of doubt and crisis. The Senator from Texas is doing a brilliant job in representing the people of the Lone Star State of Texas.

Mr. YARBOROUGH. I thank the distinguished senior Senator from Minnesota. I fear that with his very fine compliments directed toward me he is trying to lure me into voting for everything that is in the bill.

Mr. HUMPHREY. There could be something to that.

Mr. YARBOROUGH. He is complimenting me too generously today. Of course, I always fear Greeks bearing gifts, and it may be that there is some other motive behind his fine compliments to me. However, I am grateful.

Mr. HUMPHREY. So that there may be no doubt in the minds of anyone who may read the Record, let me say that everything I have said about the Senator from Texas is well deserved by him. He certainly deserves all the praise that he has received from me or any other Senator.

Having said that, I am confident that the Senator from Texas, who is such a brilliant, able, and dedicated public servant, will find it within his conscience and heart and experience to vote for the foreign aid bill.

There may be an amendment or two to adjust the bill slightly, for which he will wish to vote. However, when it is all over and the roll is called—not up yonder, but down here—I expect to see the senior Senator from Texas voting with us. I live for that day. It will be a day of joy and happiness.

Mr. YARBOROUGH. I thank the distinguished Senator from Minnesota. For a few moments I had the illusion that he would stop this accolade without tying it into the foreign aid bill. He did not even stop to insert a semicolon.

Mr. HUMPHREY. I stopped with a period.

Mr. YARBOROUGH. He went right into the large foreign aid bill.

Mr. GRUENING. Mr. President, I would like to add to the accolade to the

Senator from Texas. More important than the high approval which the Senator from Minnesota and other Senators have given to the Senator from Texas is my gratification to report that I was a personal witness to an outpouring of enthusiasm, support, admiration, respect, and affection of the people of Texas at a recent salute to the senior Senator from Texas in his hometown of Austin, where the municipal auditorium, holding 5,000 people, was packed to standing room only, and hundreds of people were turned away because there was not enough room for them. Never in my experience have I seen expressed more enthusiasm for the principles for which the senior Senator from Texas stands. I think that is even more important than that his colleagues highly approve of him.

Mr. HUMPHREY. I saw a copy of that program. I not only hope that the dinner was a huge success, in terms of well-deserved praise for the Senator from Texas, but I trust also that the political coffers were well filled, because campaigns in Texas are a rather expensive ordeal. I can think of no man who more deserves the support of the rank and file of the citizens of any State than does the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I thank the distinguished Senator from Alaska for his very generous words. Moreover, I thank him for his kind words in Austin on October 19, where he participated in the program, and where his eloquence and his generosity contributed so much to the success of that affair. The fact that he was on that program, as was the Presiding Officer [Mr. INOUYE in the chair], both of whom are well known in my home State, was a great contribution to the success of the occasion.

The Senator from Alaska has visited a number of times in my hometown. His text on Mexico is well known, as is also his long service in the New Deal, under Franklin D. Roosevelt. He is well known also for his 14 years of service as Governor of Alaska. He has many friends in my State. It was because of his presence that so many people turned out on that occasion.

The Presiding Officer is also well known in my State. I am sure that the people of my hometown were thrilled by the fact that Senators from two of the newest States in the Union, representing the farthest south State and the farthest north State, as well as farthest west State, were present. A number of persons said to me that they felt honored that a representative from the newest State should be present on that occasion. We remember that during World War II some of our people from Texas found themselves in a rather difficult position, and that a battalion from Hawaii, of which the Presiding Officer was a brave and noble member, who was decorated for his action in combat, in which he lost an arm, came to the rescue of our men from Texas. These were men of the 36th Division, the old Texas National Guard Division, two of whose regiments go back as far as the Battle of San Jacinto, since 1836.

He was met at the airport. He is already an honorary citizen of the State, by act of the legislature in 1944. At the airport he was presented with awards on behalf of the 36th Division for the action of the Hawaiian battalion in coming to their rescue, when they were pinned down by Nazi fire during World War II.

I am grateful to my colleagues for their contributions, as I am also grateful to the Senator from Idaho and the Senator from Montana, and Members of the House, who caused this great outpouring of people.

I could not let this occasion pass without expressing my gratitude for the wonderful messages that others sent. I have in mind particularly the Senator from Illinois [Mr. DOUGLAS] and the Senator from Oregon [Mr. MORSE], who is in the Chamber, and others. We are grateful for the 96 beautiful letters and telegrams that were received. All of it was far beyond my just deserts. They may be helpful next year.

Mr. HUMPHREY. Mr. President, I yield the floor.

EXHIBIT 1

APPENDIX I

LAND REFORM IN LATIN AMERICA

Land reform in Latin America is certainly not an offspring born with the Alliance for Progress, but reaches back to the earliest freedom struggles in the continent.

Robert J. Alexander, in his illuminating article "Land Reform in Latin America," *Foreign Affairs*, October 1962, underscores over a century of agrarian movements in South America. He reminds us that the great liberator Simón Bolívar undertook to seize estates from Spanish loyalists and distribute them to his armies. When the Republic was founded in Haiti, the rebellious slaves distributed the land of their former masters among themselves. From the time the colonists fled the Dominican Republic in 1821 until the rise of Trujillo, most of the land remained in the hands of the peasants. In many instances during the 19th century, Latin American nations initiated land reform by depriving the church of its vast holdings and distributing them among the laity.

"In recent decades agrarian reform has once again assumed hemispheric proportions. Mexico engaged in a massive redistribution of land in the years following the outbreak of its revolution in 1910. The fundamental achievement of the Bolivian Revolution which began a decade ago has also been land reform. In the last 3½ years, Venezuela has undertaken a large-scale land redistribution scheme. Within the last year, legislation calling for one type or another of agrarian reform has been passed in Colombia, Chile, the Dominican Republic and Brazil."

And since publication of this article we can add Costa Rica, Honduras, Panama, Nicaragua, Guatemala and Peru.

Mexico has undoubtedly been the leader in the modern land reform movement, and since the revolution has set the precedent for redistribution procedures throughout Latin America.

"The oldest of the contemporary agrarian reform programs in Latin America is that of Mexico, where it has been in process for about half a century.

"By early 1962 the total amount of land distributed since the first decree of January 1915 had reached approximately 50 million hectares. Some 12 million peasants are estimated to have benefited, with the result that the land under cultivation is now approximately equally divided between the bene-

ficiaries of the land redistribution program and other proprietors, most of whom lost land through the reform.

"One program which has been very much influenced by the Mexican example has been that of Bolivia, following the revolution of April 9, 1952, which put the Movimiento Nacionalista Revolucionario in power. Mexican officials helped in drawing up the basic law, and other assisted in putting the law into operation. Like Mexico, Bolivia has attempted to restructure the whole rural economy of the country and to integrate the peasant masses into the civil life of the nation. All tenants were granted the land on which, under the traditional Bolivian latifundia system, they had been allowed to build their homes and to grow crops for their own use. As a result, every Indian tenant was immediately converted into a small proprietor."

The process of land redistribution proposes a variety of questions—what land should be distributed, what kind of compensation paid, credit opportunities for cultivation of the land, technical assistance, transportation of goods from farm to market—all must be dealt with according to the unique agrarian situation in each country.

Some countries, like Chile, have limited their agrarian programs to seizing large idle, uncultivated remnants of the latifundia system, while other countries, like Bolivia, have found this method insufficient for their needs. Whenever land was cultivated by semifeudal techniques in Bolivia, it was confiscated, while soil tilled by modern machinery was to remain inviolate. In Mexico, land was supposed to be expropriated on the basis of irrigation, grazing, and agricultural potential.

Compensation procedures also vary to meet the requirement of each reform program. The Mexican, Bolivian, and Guatemalan agrarian laws call for payment set by the proprietor. In Venezuela, the Agrarian Institute negotiates a fair compensation price, and in Colombia, the National Geographical Institute arbitrates the value between the landowners and the Colombian Agrarian Institute.

Mr. Alexander stresses the diverse patterns of agrarian reform:

"The provisions under which expropriated land is transferred to new owners have varied greatly from country to country. At one extreme is Cuba, where, as we have seen, the State has retained most of the expropriated land, organizing it increasingly as State farms. At the other extreme is Bolivia, which has given the Indian peasant title to his land and has not sought to impose any pattern for the organization and use of the land. In a relatively small number of cases, the peasants have organized cooperatives, but in most instances they cultivate the land as individual farmers."

Under most agrarian reform programs, the peasants are granted the land without payment. In Venezuela, the new landowners, in addition to receiving titles gratis, have the option of purchasing additional land at low rates.

"In virtually every Latin American country that has undertaken agrarian reform, controversy has arisen over the advisability of concentrating effort on opening up and colonizing virgin hinterland as opposed to redistributing the holdings of the landlords. Actually both of these approaches are needed. Where population pressures on the land is great, the division of large landholdings is necessary both to lessen the likelihood of social explosion and to obtain the ultimately more efficient use of the land. Redistribution is cheaper than colonization and it promises a quicker incorporation of large elements of the peasantry into the market economy. In many areas, however, sole reliance on land redistribution may merely substitute

munifundia for latifundia. That is, there is danger that the land will be divided into such small holdings that they cannot be cultivated efficiently or that they will never provide more than the barest subsistence. * * * The mere distribution of land is not a sufficient reform by itself. An effective program of agrarian reform must make sure that the new proprietors have access to credit to finance their crops and to buy equipment, and it must provide technical assistance and help marketing."

As a partner in the Alliance, the United States has assisted Latin nations to push ahead in their agrarian programs by supporting projects of the following nature.

Under the social progress trust fund over \$65.8 million have been lent to Latin American countries for their agricultural development programs. Of this total, \$22.2 is for agrarian reform and resettlement; \$38 million for agricultural credit; and \$5.6 million for irrigation and development of farm centers.

AID is specifically helping to finance the following:

1. Resettlement of excess farm population on unused farmland now available in areas both within and outside the Brazilian northeast.

2. Reduction of the large handling and storage losses between farm and consumer, creation of an adequate system of processing, storage, distribution, grading, and marketing for agricultural products and a system for credit to low-income families in northeast Brazil.

3. Through the National Bank of Costa Rica, provision of long- and short-term credit to medium- and small-sized farmers.

4. Development of modern agricultural institutions in Guatemala, Dominican Republic, and Peru.

5. Development of rural cooperatives in Nicaragua, Paraguay, and Uruguay, and supervised agricultural credit in Mexico and Venezuela.

6. The resettlement and reclamation program designed to settle 20,000 families yearly on sound economic units in Colombia, and assisting the development of a national credit program there.

7. Farm-to-market road construction in Paraguay, Nicaragua, Bolivia, Brazil, and Peru.

These are only a few of the projects which AID is supporting. In nearly every country, AID is assisting the Alliance goal of increasing agricultural production.

Mr. Alexander has emphasized that immediate results of redistribution programs is often an unavoidable decline in agricultural production.

"One of the basic purposes of agrarian reform programs in Latin America has been to increase agricultural output. However, in a number of cases the immediate result of redistributing the land has been a decline in production. The new peasant owners have not had the technical competence, nor in some cases sufficient interest to maintain former output levels."

To help relieve this temporary decline, AID has granted loans to Mexico and Venezuela in support of agricultural credit programs to small farmers. These loans, covering technical assistance, will assure the new farmers success and repayment ability.

Alexander climaxes his report on the following note:

"These problems (agrarian) must be solved, not only because one of the fundamental aspirations of the masses of Latin America is to possess and work their own land, but because this development is essential for the economic growth as well as the eventual political stability of the whole continent. The United States has done well, through the Alliance for Progress to associate itself with this movement."

The Charter of Punta del Este made land reform a primary goal for all of Latin America.

In the Dominican Republic, a major program of land reform was initiated in July 1962 after the passage of an agrarian reform law. More than 2,000 families have been settled on land formerly owned by members of the Trujillo family. As of March the Banco Agrícola has made loans totaling over \$15 million to 45,500 families.

In Bolivia, titles issued under the agrarian reform law since the revolution have gone to 181,000 families. The phenomenal growth in the Santa Cruz area has moved Bolivia from almost total dependency on imports for its rice and sugar to almost total self-sufficiency. The cooperative movement has gained such strength that the wool cooperative was responsible in February 1962 for the first commercial sized export of wool from Bolivia in 40 years.

In October 1962, Costa Rica adopted a revised land and settlement law. The Institute of Lands and Colonies was established to manage agrarian reform problems, approve colonization programs, expropriate land if necessary, and promote cooperative development. A progressive tax on properties larger than 247 acres was established. Rural agricultural credit is available for farmers through the Banco Nacional.

Under a new agency which provides supervised production credit to small farmers in El Salvador, approximately 5,800 agricultural credit loans will have been made by July.

In October 1962, the National Agrarian Transformation Institution in Guatemala was established to plan and carry out an agrarian reform program primarily based on exploitation of idle or undercultivated lands. The law provides for progressive taxation of land and for farm credit programs.

On November 27 an agrarian reform law was passed in Chile. Ownership of land has now become contingent upon proper land use and improvement. Under this law it is proposed that 5,000 families will be resettled in 1963.

As far back as March 1960, Venezuela had initiated a comprehensive agrarian reform program for the expropriation of large estates that were not in production or worked by tenants. By the end of 1962, over 1½ million hectares had been distributed to over 56,000 settlers.

APPENDIX II

TAX REFORM IN LATIN AMERICA

The mere nature of tax reform involves a complex of tax theory and techniques, economics, relations between executive and legislative and judicial branches, domestic and international politics, and the level of public and tax administration in general. In Latin America, tax reform is further complicated since changes must first be made in the traditionally rooted legal systems, class structure, and archaic governmental institutions.

Due to the sphere of influence connoted by the concept of tax reform in Latin America, assistance cannot and should not be administered by one agency, but demands the total resources of the United States and Latin America, both governmental and private. Nor can tax reform be brought about solely from outside. The process is necessarily a slow and painful one, all over the world.

The task of stimulating tax reform and improved collections in the Alliance countries carried quite delicate and difficult political and technical constraints. Also, the adoption of these foreign policy objectives implies an unprecedented diplomatic and economic involvement in the internal affairs of other countries. The delicacy, technical complexity, and novelty of the task have required a discreet, highly pragmatic, and experimental approach. Since the Charter of Punta del Este, the United States and multilateral

agencies have been playing a major part in bringing about tax reform in a variety of ways adapted to the complexity of the problems and the present stages of development in particular countries.

One area of activity has been a continuous round of speeches and statements aimed at creating an awareness of the immediate need for tax reform. Where there was almost no discussion of tax reform prior to the Alliance, it is now generally accepted in many countries that reform is a *sine qua non* of economic and social development. To a considerable extent this newly kindled interest is the result of constant reiteration of the importance which the United States places upon tax reform. This United States insistence has been communicated not only through executive, AID, and U.S. legislative policy statements, AID missions in the field, and normal diplomatic channels, but has been emphasized in almost all assistance loans and grants made through AID, IDB, IMF, IBRD, etc. Similarly, the two tax conferences held under the auspices of the OAS-ECLA-IDB joint tax program have undoubtedly had an important public relations impact.

Tax reform is also a key element of negotiations for major programs of financial support and assistance to selected countries. It is significant that as a result of negotiations of this type governments in countries such as Brazil, Chile, and Colombia have pledged themselves publicly to programs of reform.

Another instrument for reform has been the tripartite tax study teams. These studies have stimulated efforts by the host governments to organize and continue the research activities which will be required on a long-term basis for sound tax reform. Assistance to the tax reform movement in Latin America must be in a form acceptable to those undertaking tax reform.

Political reaction in Latin America often makes it wiser to bring such pressure through Inter-American and multilateral agencies. Therefore, as a part of the U.S. total tax reform effort, AID took the initiative in developing the current policy: AID takes primary responsibility for assistance in improving tax administration; the OAS, due to its multilateral character, is the more effective instrument for tax policy and therefore has primary responsibility in that area.

Under the OAS joint tax program, a team of five experts has completed a thorough survey of the tax system of Panama. A considerable number of recommendations for reform designed to implement the principles of Punta del Este has emerged from this survey and has been made available to the Panamanian authorities. A group of four experts has prepared a complete survey of the fiscal structure of Ecuador.

AID has organized itself to assure that tax policy is coordinated and integrated into the total development picture. As part of its responsibilities, the Latin American Bureau makes sure that maximum efforts toward tax reform are included in each country program, (consistent with that country's development plan, if it has one), the capacity of the country for growth, the overall tax structure and the extent of self-help measures, and the political situation. In this way, tax reform is injected into the total programming and budgeting process and is considered a key element in all U.S. assistance programs in Latin America.

AID initiated a cooperative working program with the IRS in 1961. During the intervening months, 28 Internal Revenue men were used in 11 different countries, and the working relationship was formalized in an Inter-Agency Agreement between AID and IRS, signed May 29, 1963. This agreement, supplies AID with IRS tax administration specialists. Some 300 IRS men are already available for service in Latin America. Under the Agreement the services of Internal

Revenue are also available for the training of Latin American tax officials in the United States. As a formal part of the Alliance, the IRS has established a Foreign Technical Assistance Staff in the Office of the Commissioner which is giving primary attention to the improvement of tax administration in Latin America and in mobilizing the resources of IRS in this objective. Another cooperative venture has been the establishment of the Latin American Tax Assistance Reserve. Under this program selected IRS men undergo a 16-week training at the expense of AID and are then ready on call for short or long term assignments in Latin America. Coordinated with AID's own program of tax training, these cooperative efforts with the IRS have proven highly successful and have contributed directly to improvements in Chile, Peru, and Panama.

Finally, AID has stepped up training for tax administration in the United States. About 115 Latin Americans have been trained here since the Charter of Punta del Este. This is largely group training designed for impact on tax reform and has directly contributed to improvements in Chile, Guatemala, and Peru.

Before the Alliance, AID predecessors had one or two men working in Latin America. The OAS had none. The enthusiastic response from Latin American countries to available tax assistance had been testimony of their awareness of the necessity for reform and their readiness to help themselves implement new tax programs. Guatemala, Honduras, Nicaragua, Chile, Peru, Colombia, Costa Rica, and Ecuador have made urgent requests for assistance in various aspects of revenue improvement. But by far the most impressive achievements on any level have been those initiated and enforced by the Latin countries themselves without outside assistance. Since the Charter of Punta del Este almost all have adopted some form of tax legislation, and although results usually lag 2 years behind such reforms, worthwhile achievements have already been produced.

In the field of land tax, which until recently was the stronghold of tax reform resistance, cadastral surveys to locate and determine ownership of property for tax purposes are underway in Panama and Chile. Costa Rica, El Salvador, and Guatemala are embarking on similar programs and Colombia has requested assistance to improve its property tax system.

In fiscal year 1963, the Government of Argentina, by tightening up collections, added 215,000 new taxpayers to its rolls. Early this year, Argentina introduced further revenue measures which, with improved enforcement, are expected to yield an increase of \$200 million in 1963. This alone represents 15 percent of the total 1962 revenues.

Due to improved tax collection methods and recent tax reforms, Brazil expects to collect a \$200 million increase in Government revenues. A tax law was passed in November raising income and consumption taxes, broadening the use of withholding taxes, and instituting a tighter collection procedure on wage and bearer share income.

El Salvador has adopted a tax reform measure raising progressive income tax rates. These are among the highest in the hemisphere and yielded a 40-percent increase in receipts in 1962 over 1961.

Guatemala's first income tax law in history became effective July 1. Real property which has not been revalued for tax purposes during the last 15 years will be evaluated at 300 percent over previous assessed values.

In Chile, complete reassessment of taxes on all real estate, rural and urban, has been started. Individual reassessment of every separate property is in process. Estimates of revenue increases in 1963 due to various tax reforms are as follows: (1) from better administration, \$16.5 million; (2) from prop-

erty tax improvement, \$9 million; (3) from reform in income, inheritance tax, etc., \$16.5 million; for a total of \$42 million. This is expected to double in 1964.

Chile's tax training school is a going concern, and by April 1963 had graduated 375 inspectors and assessors. A tax enforcement unit has been organized. A nine-volume manual on tax laws and procedures has been developed. A new project has been signed to streamline the legal collections system with an immediate target of 96 million pesos overdue and uncollected.

In Colombia, income taxes now provide about 40 percent of total revenues and are among the highest percentages of GNP in the hemisphere.

In Panama, income tax collections in 1962 were a record high at \$15 million, a 40-percent increase over 1961, due to tax reform measures passed in 1961 strengthening procedures for dealing with fraud and tax evasion. Income tax returns increased 20 percent after removal from the law of a provision requiring proof of intent to defraud. A land system aimed at fuller utilization of vital land has been initiated. At the request of the Panamanian Government, a tax audit adviser was sent for 60 days to suggest improvements in tax audit procedures. As a result of this visit, an in-service training course to be given to all auditors has been initiated; and guidelines for examinations of books, records, audits, etc., are now used by auditors where previously no books or records had been maintained.

The Dominican Republic has passed a revised income tax system of progressive rates, reaching 63 percent on top brackets of income, which is already bringing in substantial increases in revenues.

In Mexico, an important series of tax reforms went into effect last year. Income tax rates were increased in the middle and upper brackets; a complementary income tax was imposed, starting at 3 percent for incomes equal to \$14,000 and increasing thereafter to 15 percent. Total tax receipts in 1962 were 12 percent above 1961, and it is estimated that there will be a further increase of 20 percent in 1963. The establishment of a data processing unit increased the number on the tax rolls from 700,000 in 1962 to 1.4 million in 1963. By the end of 1964 this figure is expected to jump to 3.5 million.

Due to a July 1960 reform measure in Venezuela, a 22-percent increase occurred in filed tax declarations over the prior year. During 1962, income tax receipts increased 30 percent over 1961.

APPENDIX III

LATIN AMERICA: A POSITIVE VIEW OF PRIVATE ENTERPRISE

In a recent *Vision* article of May 1963, the editors point out some salient facts about private enterprise in Latin America:

"A disturbing attitude toward Latin America has developed in this country. It might be called the 'down-the-drain' syndrome. It manifests itself in a number of ways: Glum talk of bankruptcy, flight capital and ballooning inflation; fearful talk of political collapse and chaos; table-thumping talk of Communist takeovers up and down the line.

"Those who know Latin America well know that such an attitude is unrealistically one-sided, that it could be dismissed were it not for the harm it is doing to effective policymaking of bureaucrat and businessman alike."

The article points out a number of optimistic trends in Latin America which seldom find publicity in the voluminous material published about the Alliance.

If increased private investment is one thermometer of a progressive alliance, the statistics are encouraging. In a recent *Vision*

article of May 1963, one sees a side of the picture which is seldom publicized:

"Ford is expanding auto production in Brazil, after a recent talk between Henry Ford II and President Joao Goulart. Last year the company showed its confidence in Venezuela's economic and political strength by holding opening ceremonies at its new Valencia assembly plant right in the middle of the Cuban missile crisis and a fortnight after an outbreak of sabotage directed against U.S. companies. A group of U.S. chemical and financial firms is pushing ahead with a \$72 million petrochemical project in Argentina despite the chain of crises there. Bethlehem Steel is expanding operations in Chile's politically sensitive mining industry in an effort to broaden its sources of iron ore.

"The list runs on and on. Caterpillar is doubling the size of its Sao Paulo plant, sending in fresh capital to help finance the job. J. I. Case hopes to be building a completely Argentine-made tractor by 1964. Esso, Shell, Phelps, Dodge, Sears are either setting up or expanding shop in Central America. Westinghouse is working with Central American Bank for Economic Integration on an electrical appliance and equipment industry for the area."

Nor is this optimistic surge of investment solely an American venture.

"Exports from the EEC countries to Latin America have jumped more than 60 percent in the last decade, and investment and supplier credits have risen from comparatively low levels to more than \$400 million a year. General de Gaulle has made it plain (via a \$150 million economic agreement with Mexico) that he considers Latin America the most promising of the developing areas, and indications are that France is about to launch a concerted trade drive in the more industrialized republics. There are also signs that France, by itself or in concert with the EEC, will negotiate tariff cuts with LAFTA and CACOM, something that Latin America has been hoping for ever since the birth of EEC and its attendant threat of tariff barriers against Latin American coffee and other vitally important agricultural exports.

"West Germany is Europe's fastest moving contender in the quest for Latin American markets. Her direct private investments there totaled \$300 million by the end of last year, more than 5 times her African investment, and more than 7 times her Asian investment. Moreover, the increase in value during 1962 was on an order of 27 percent, most of it in Brazil and Argentina, the 'riskiest' Republics, in the U.S. mind.

"The trend is likely to continue. Mannesmann has announced plans to triple production at its steel works in Minas Gerais. Volkswagen of Brazil is gearing for a multi-million-dollar expansion program that will make it the largest auto maker in Latin America. VW sees the potential small car market that can be created when LAFTA begins to jell, and it is convinced that the stakes are worth the risk. The picture is roughly the same on the Pacific coast. A German consortium will handle the expansion of Peru's Chimbote steel mill; another will build a copper refinery in Chile. . . . Japanese investors are developing thriving shipbuilding and steel industries in Brazil. All told, Japan's Latin American investments run to around \$390 million and are growing by about \$90 million annually."

Vision again turns the light onto another neglected facet of the Alliance and perhaps the most important—manpower and leadership.

"Very little has been said in the United States, or in Latin America, for that matter—about the new generation of political, academic, church, and business leaders arising in the continent. Most are men in their early forties or fifties; some are younger. All are well educated in the problems of the

countries and infused with a sincere desire to do something to improve things. These men are moving to the top now, and as they do, government is getting more capable and business more aware of its responsibilities.

APPENDIX IV HOUSING IN LATIN AMERICA

The need for housing in Latin America is so vast that it can scarcely be measured. The figures vary depending on the source or sources but all are in the millions of new units needed and billions of dollars. One figure that has been put forward—and is as good as any—is the Chase Manhattan's estimate of a need of 12 to 14 million units at a cost of some \$10 to \$13 billion.

In any event, there is no possibility of an overextension of building within the next few years. The important thing is to concentrate on the reasons for the deficit and on the solutions.

Two common misconceptions about Latin America are: That housing is important for social reasons, only, and has no economic significance; and that there is no capacity to save so that all housing must be government financed or financed from external sources.

This has led, in the past, to little financial aid from this Government, has deterred the establishment of private savings institutions for housing, has helped prevent the investment of private U.S. capital in housing in Latin America, and has led to defeatist attitudes toward the ability of the peoples of Latin America to house themselves.

Nothing could be farther from the truth—on both counts.

It is true that economic development is not the end product, but the means to the end, a higher standard of living and part and parcel of that end result. A partial result of the lack of housing is widespread unproductivity, social unrest, fertile ground for violent political upheavals, and dissatisfaction with the competitive, free enterprise society we are attempting to foster and perpetuate through a program of foreign aid. On those grounds, alone, financial assistance for housing is justified. Nevertheless, housing can stand on its own as a means of fostering economic development.

In the developed countries, social needs aside, homebuilding is an important and integral part of the national economy. The importance of housing to a national economy was recognized by the Congress in 1949 when it declared the national policy at home to be:

"The production of housing in sufficient volume to enable the housing industry to make its full contribution to an economy of maximum employment and purchasing power."

Year after year the relationship between business cycles and the home construction industry has been widely acknowledged. Now, Congress, in the past several Foreign Assistant Acts, has recognized that technical and financial assistance in the field of housing is a proper tool in economic, as well as social development abroad. AID in formulating its housing policy to carry out congressional intent, has, in effect, recognized that consideration must be given to housing as necessary for, and complementary to, industrial and agricultural development, has acknowledged the urbanization effect of economic development and the economic waste of the lack of planning, housing's relation to productivity, housing's contribution to full employment and housing as a means of inducing savings.

Perhaps the clearest justification and most persuasive argument for economic assistance for housing in the lesser developed countries is as an adjunct to industrial and agricultural development, what has been termed the "social overhead"; i.e., roads, power, railroads, etc.

Economic development means new factories and new agricultural settlements.

Large movements of people are required in developing countries to man new residential centers. This makes imperative the creation of new supplies of housing to assure mobility and retain labor. New centers of work mean new locations where housing did not exist previously in sufficient quantities or quality to shelter the necessary labor force. Similarly, economic development of sparsely settled countries or areas—as in the case of Israel which I have visited on several occasions—requires planned regional development with new towns and population movements.

Aside from the need to service industrialization, housing is needed to shelter the new town population. Economic development results inevitably in urbanization and in country to town movements. On the other hand, urbanization increases the need for a greater emphasis on the supply of housing.

In addition to a housing supply to attract and retain labor, the condition of existing housing can reduce productivity by affecting the physical health and mental attitude of labor. Some economists tend to minimize the effect of bad housing on productivity or assume that a greater relationship exists between productivity and food. It may be that the relative effect is indeterminable. Nevertheless, it cannot be questioned that some relationship does exist.

Housing is, too, one of the most potential markets in a poor country since in such countries housing is most deficient. In developed countries, the home construction industry offers three types of employment; onsite, offsite and tertiary. In the United States, for example, each housing unit provides between 2½ and 3 man-years of employment, one man-year on the job, one man-year in the factories producing building materials, and an additional half to a year in related fields. In countries which are underdeveloped to a limited degree, only, and which have a formal, organized construction industry, as is the case of so much of Latin America, as distinguished from Africa, housing plays as substantial a role in the national economy as in the so-called developed countries. In Chile, for example, construction represents a substantial portion of the entire economy and home construction is the major part of all construction. Some 110,000 persons are engaged in direct construction with another 150,000 persons occupied in producing building supplies. For the 10-year period from 1941-50, site development and homebuilding represented 3.2 percent of the net national product while from 1951-55, the percentage was 3.5.

Actually there is no lack of a market for housing in Latin America. The need exists, of course, but more important, the ability to pay for housing exists provided long-term mortgage money is made available. The essential requirement is long-term credit, a commodity that is lacking in most lesser developed countries. The need, too, is largely for local currency, not foreign exchange, since housing is labor-intensive and abundant labor exists in most lesser developed countries, and indigenous materials are largely used.

With the realization that long-term credit is the key to a solution to a large part of the problem, and, because we cannot expect, with U.S. resources alone, to solve Latin America's housing problem, AID has been concentrating on helping the governments and peoples of Latin America create savings institutions whose sole function is the accumulation of the savings of the many and the channeling of those savings into housing. We have utilized the advice and counsel of public-spirited U.S. savings and loan officials, many known to you, to advise such countries as Argentina, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Jamaica, Nicaragua, Panama, Peru, Uruguay and Venezuela. Their efforts have

already resulted in home savings institutions being created in Chile, Dominican Republic, Ecuador, Peru, and Venezuela and the prospects of similar legislation in Argentina, Colombia, El Salvador, and Panama.

The success of home savings schemes, however, requires the impetus of initial capital. Without such initial capital, the slow rate of savings accumulation at the beginning will delay the flow of mortgage loan funds to such an extent that the early use of savings will be retarded inordinately and enthusiasm for saving will wane. Even in the United States, in the early days of Federal savings and loan associations, governmental participation was deemed essential to support initial saving and permit early lending.

We, therefore, have been providing "seed" capital loans for savings and loan institutions initiated with our technical assistance. "Seed" capital loans have been made to savings and loan systems in Chile (\$5 million plus a \$5-million grant and \$1,500,000 of Public Law 480 funds), Dominican Republic (\$2,100,000), Ecuador (\$5 million), Peru (\$9,500,000) and Venezuela (\$10 million). Other such loans are contemplated for Argentina and Colombia. These loans are being funneled into the savings and loan system through forms of Federal Home Loan Bank Boards. Generally, these loans are matched by funds of the country involved.

These systems and loans are already bearing fruit. In Chile, as of October 1962, there were 20 private savings and loan associations with 19,000 savers and approximately \$16 million in savings. An additional \$35 million of savings has been accumulated in the savings department of the Banco del Estado. Some 2,000 loans had been approved for a total of \$20 million on an average of approximately \$7,000 per loan. In Chile, we suggested a linkage of savings and loans to a wage index to offset inflation. This has been a prime factor in increasing savings and is a technique we are hopeful of introducing throughout Latin America.

In addition to these "seed" capital loans, we have also made loans for direct government action: \$12 million to Colombia primarily for aided self-help projects, \$400,000 for a union project in Honduras, \$2,500,000 to Panama's Banco de Ahorros for relending purposes, \$5 million to the Mendoza Foundation of Venezuela and \$30 million for slum clearance in Venezuela. Consideration is also being given to housing loans for Jamaica and Uruguay. This means that, to date, over \$100 million of AID monies has been committed or under serious consideration for housing in Latin America. Add to this U.S. funds in the amount of \$150 million transferred to the Inter-American Development Bank for housing loans and you have \$250 million of U.S. moneys being channeled into the home construction and home financing industry in Latin America.

Another form of assistance is the all risk investment guarantee which authorizes AID to guarantee \$240 million of U.S. capital invested abroad, against virtually any risk, with \$60 million of this \$240 million specifically earmarked for housing in Latin America. A subsidiary of Carl M. Loeb, Rhoades & Co., of New York, is making the first housing loan to be guaranteed under this program.

There is a proposal known as S. 582 to create an International Home Loan Bank within the Federal Home Loan Bank Board. This bill, introduced by Senators SMATHERS and SPARKMAN, with a similar bill proposed by Senator DIRKSEN, and by Representative WRIGHT PATMAN in the House, would authorize domestic savings and loan institutions to invest up to 1 percent of their assets in such an International Home Loan Bank which, in turn, could then invest in foreign mutual thrift and home financing institutions and foreign home loan banks. This would provide a potential \$800 million for investment in housing abroad. Recently

Senator SPARKMAN said of this proposal that "a good base can be laid for favorable consideration of the International Home Loan Bank during the coming Congress."

The degree to which housing can aid in the economic development of a country depends, as in the case of other forms of economic development, on the stage of development, on the stage of development of the country concerned. In well-developed countries, housing's contribution to a sound economy and full employment is readily recognized. In more advanced "underdeveloped" countries, i.e., Latin America, a similar argument can be made for the essentiality of housing for industrialization, housing's place in urbanization and housing's contribution to saving and creating an atmosphere of saving. If economic development is to be a balanced program and if political demands and social expectations are to be fulfilled, more attention must be devoted to housing as an economic and social measure.

Mr. MILLER. Mr. President, I send to the desk an amendment and ask that it be printed in the RECORD and also that it be printed.

The PRESIDING OFFICER. The amendment will be received, printed, and lie on the table; and without objection, the amendment will be printed in the RECORD.

The amendment (No. 249) was ordered to lie on the table, as follows:

On page 48, strike out the quotation marks at the end of line 3, and between lines 3 and 4 insert the following:

"(k) In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their assessments and/or contributions to the United Nations, no assistance shall be furnished under the provisions of this Act (other than supporting assistance under chapter 4 of part I, assistance from the contingency fund established under chapter 5 of part I, and military assistance under chapter 2 of part II), or any other law authorizing assistance to foreign countries (other than military assistance, supporting assistance, or assistance from the President's contingency fund), to the government of any nation which is more than one year in arrears in its payment of any assessment by the United Nations for its regular budget or for peace and security operations, unless the President determines that such government has given reasonable assurance of paying (independently of such assistance) all such arrearages and placing its payments of such assessments on a current basis, or determines that such government, by reason of unusual and exceptional circumstances, is economically unable to give such assurance."

Mr. GRUENING obtained the floor.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure, with the understanding that I do not lose my right to the floor.

Mr. MORSE. Mr. President, I discussed the amendment at some length in my speech yesterday. I cannot accept the proposal of the Senator from Minnesota [Mr. HUMPHREY] as I have already explained to him. He has been gracious enough to say that he wishes to give consideration to my proposal. I understand that officials of the administration wish to discuss my proposal with me.

The solution I am advocating is not an interference with the President of the United States in the administering of

foreign policy. It is the carrying out of what I consider to be the clear duty on the part of Congress to check any administration, Republican or Democratic, in this field. We have a clear trust and duty not to leave this matter for determination by any President, because, eliminating all personalities, if we accept the provision of the bill, we do not do anything to accomplish the objective we have in mind; we merely maintain the status quo.

We have had this problem before, in our disagreement that some of us had with Assistant Secretary of State for Latin American Affairs Martin. His unfortunate article, published in the New York Herald Tribune some weeks ago, did much, I thought, to jeopardize many parts of the bill and it raised this point very clearly. As the Senator from Alaska [Mr. GRUENING] has pointed out, apparently the Assistant Secretary of State for Latin American Affairs thinks that there are good military juntas. No such beast exists. A military junta is a beast that devours free governments. The fact that some civilian stooges or facades are put up to give the impression that the military junta will eventually return the country to constitutional government is a bill of goods I will never buy.

In my judgment, the administration ought to welcome my amendment. The administration ought to say, "We would not think of proposing to give support to a military junta on the ground that it is in our national interest, unless Congress agreed."

Any administration should want to present the question to Congress. It should want the support of Congress. It should not want to have written into law a provision that gave it unchecked discretion to support a military junta, without a congressional check.

To my President, I say: "In my judgment, you would perform a great service by giving the American people confidence in the procedures you will follow under the foreign aid bill if you would announce to them that you would like to have an amendment that required Congress to support you in a decision, if you ever found yourself in a position in which you really believed the national interest called for aid to some country whose constitutional government had been overthrown."

The senior Senator from Oregon will not vote for the bill, under any circumstances, if it contains the language of the committee; namely, that it will give us the words, but will give the President the power. I believe the point has been reached where we ought to serve notice on Latin America that we will not give aid to any military junta that overthrows a constitutional, democratic government.

The Senator from Illinois [Mr. DOUGLAS] spoke about Costa Rica. I have received from President Orlich of Costa Rica a message making it perfectly clear that he supports the position for which I stand. The fight I have been making against military juntas is supported, for example, by Muñoz-Marín, of Puerto Rico, and by Jose Figueres of Costa Rica.

Throughout Latin America democratic regimes are frightened about the danger of military juntas taking over. It will not satisfy them if we pass the language of the committee, for they know that in the past, administrations of this Government have supported military juntas within a few weeks after the military juntas have taken over the government.

A few moments ago the Senator from Illinois [Mr. DOUGLAS] spoke about Peru. The Senator knows the position the U.S. Government took with respect to Peru at the time of the overthrow of the Peruvian Government. We announced that we would not support the new Government. We made fine verbal statements and gestures, but in no time the U.S. Government recognized the military junta in Peru.

Assistant Secretary of State Martin refers to that military junta as a good one because of the record it made. It never was a good military junta. It could not be, because it was a beast—a political beast—that devoured a free, constitutional government in Peru. The U.S. Government never should have supported it.

We will not give confidence and a sense of security to democratic regimes in Latin America if we give them only verbal support. They understand our system of checks and balances. The one amendment, and the only amendment, in my judgment, that will serve notice of our sincerity of purpose is an amendment that provides that if there is an overthrow of a constitutional government, and a fact situation develops, or the President of the United States thinks it might be in our national interest to do business with that government, he should obtain the approval of Congress, for it is the taxpayers' money he will be spending. This is an example of a check on the purse strings.

I do not intend to vote for a foreign aid bill without such a check guarantee, whereby if there were an overthrow of a constitutional government, the President of the United States would be denied the power to spend a single dollar of the taxpayers' money in the country of that overthrown government until Congress said, "Mr. President, we have heard your reasons and have decided to support you" or "Mr. President, we have heard your reasons, and we reject them." That is the test of whether the system of checks and balances will be applied in such a delicate situation. This is a situation which, in my opinion, frightens democratic leaders throughout Latin America.

Before the debate has been concluded, I shall read into the RECORD messages from the leaders of democracy in Latin America, expressing their fear about exactly what has happened in the Dominican Republic and in Honduras. I said yesterday that I was waiting for the Secretary of State to give me the facts concerning the withdrawal of the U.S. mission personnel from the Dominican Republic and Honduras. I am still waiting for it, Mr. Secretary of State. The Senator from Alaska [Mr. GRUENING] has also called for the information,

and he told me a few minutes ago that he is still waiting for it.

I say from the floor of the Senate this afternoon: "Mr. Rusk, Secretary of State, when are we going to get the information? We want to know how many persons you have withdrawn from the Dominican Republic and how many you have withdrawn from Honduras; who they are; and who are still left there. The inference still is that you are engaging only in a sham withdrawal; that it is only a token withdrawal; and that raises a suspicion among our friends in Latin America that we are only waiting for the storm to blow over, and then, once again, the State Department, in keeping with what I think is the most unfortunate attitude of Assistant Secretary of State Martin, will give the American people another rationale in the form of unsupportable excuses, to the effect: 'Well, it is the only course open to us; we have no other course.'"

We must see to it that we put a check on the administration, so that that cannot be done.

Mr. YARBOROUGH. Mr. President, will the Senator from Alaska yield?

The PRESIDING OFFICER (Mr. KENNEDY in the chair). Does the Senator from Alaska yield to the Senator from Texas?

Mr. GRUENING. I yield briefly, if it is understood that in yielding at this time I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, I point out that Premier Khrushchev has lent aid and comfort to those who favor slowing down the American space program, but we are warned that Khrushchev's statement that Russia is checking out of the moon race may be nothing more than a lure and trap to us, in the hope that we will slow down our effort if the Russians slow down theirs.

If the Russians have actually slowed down their effort to reach the moon, the cause is the crop failures in Russia year after year, whereas American agriculture has never been more successful than it is today.

A most perceptive editorial on this subject was published today in the Washington Post. The editorial, which is entitled "Changing the Space Program," reads as follows:

CHANGING THE SPACE PROGRAM

Plans of the National Aeronautics and Space Administration for a moon landing by 1970 are not fixed, immutable, unalterable and beyond amendment. Good occasion may arise for deferring the target date—or hastening it. Reasons may develop for cutting down the \$5.2 billion appropriation authorization, or for increasing it.

There are two reasons given for changing the space program that really do not seem relevant. One is that it should be altered so as to permit the diversion of more funds to research in biology and other sciences. The other one is that the space program should now be scrapped because Premier Khrushchev has disclosed that the Soviet Union is leaving the race to the moon.

This country needs to carry forward a program in outer space that will push its technology forward at a sound and rapid rate. The fact that we land a man on the moon is far less important than the fact that in trying to do so we are giving a focus to a

vast expansion of scientific and technological knowledge. When we have that knowledge in hand, we may choose to use it to accomplish a different objective, or many different objectives. As a result of the lunar landing program we will have acquired by 1970, if not the capacity to actually land a man on the moon, a facility in the whole gamut of space science that otherwise we never could have acquired.

We need to go forward with the conquest of space. That need is not altered, diminished, expanded or increased, or influenced in any way by the equally valid needs of science that arise in other fields. The existence of the moon program is no excuse for neglecting the biological sciences, or social objectives of other kinds. These are absolute needs, too. We are not in an either/or predicament.

Apparently, the Soviet Union is in a position where it must choose. The anguish with which this choice to get out of the race to the moon has been made is suggested by what Soviet leaders have said in the past. Last August, in a speech on the exploits of Titov, Khrushchev said: "The exploits of our cosmonauts reflect the great achievements of our economy, science, and technology. They demonstrate the great advantages of the Socialist system."

Pravda, exulting in Soviet space achievements, said in March 1961, that "the successes of the Socialist state are, figuratively, a multistage rocket which will unfailingly put all peoples into the orbit of communism."

Soviet superiority, said Marshal K. A. Vershinin, chief of the Soviet Air Force, "is not a temporary advantage . . . but is a constantly active factor in the superiority of our Socialist country over the capitalist countries."

Red Star, in February 1961, said the launching of a rocket toward Venus represented "one of the graphic proofs of the Socialist system's incontestable superiority over the capitalist system."

The opportunity to make similar boasts about an early moon landing is one that the Soviet Union will forego with great regret. We cannot even be sure that they have foregone that opportunity. In any case, the U.S. Government can hardly devise an accordant program, involving hundreds of thousands of people, that can be altered and amended from week to week to fit the fluctuating declarations of Premier Khrushchev's intentions. We need a space program that fits our intentions and not his intentions, or professed intentions.

This country needs to go forward into the space age. In that age, every town and city and village will become a port upon that great sea which is the sky. This circumstance will bring about an alteration of the horizons of all mankind. It will put into the hands of mortals greater power than they ever have possessed to shape their own environment. The vision of this future world has illumined the minds of young people, thrilled them with the possibilities of this new epoch in man's destiny, awakened their interest and excitement in the advancement of all human knowledge. We have entered a new age of scientific exploration and conquest. We must proceed in it without vacillation, doubt or fluctuations of faith dependent on alternative claims upon our genius and resources or the varying emotions and intentions of rival powers.

Mr. President, I also wish to call attention to an article entitled "The Moon Race: Go or Not, the Cost Will be About the Same." The article, written by Howard Simons, was published today in the Washington Post; and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MOON RACE—GO OR NOT, THE COST WILL BE ABOUT THE SAME (By Howard Simons)

Whatever official Washington finally decides about the moon race—to go or not to go, or to slow down—the cost will be roughly the same.

It has been estimated that the U.S. moon program will cost \$20 billion.

But even before Soviet Premier Nikita Khrushchev took his nation out of the race—temporarily, at least—American space agency officials were telling Congress this wasn't really so. The point that National Aeronautics and Space Administration officials were making was that the manned lunar landing, itself, will cost between \$1 billion and \$3 billion.

The rest of the \$20 billion is earmarked for big-rocket boosters, launching pads, technical and scientific know-how, unmanned exploration, and tracking stations. And, these will be needed whether Americans travel to the moon's surface or not.

Doubt has been expressed in some quarters that NASA will be able to get Americans to the moon in this decade and for \$20 billion.

Informed sources yesterday said that in recent weeks NASA officials have reappraised the moon program in the light of rising costs and schedule slippages. Their conclusion: the moon effort will not cost more than \$20 billion and the 1970 target date still looks good.

To meet both the fiscal and the calendar goals, however, will require some program changes. These are now being made. Though the informed sources would not comment on the nature of the program adjustments, they did say the changes will be announced soon.

Unless the United States wants to abandon space exploration altogether or leave space superiority to the Russians, there seems little value in abandoning the manned lunar landing.

This is the view of many space experts who hold that the manned lunar landing, in spite of all the attention focused upon it, has been merely a symbol.

But because of this symbol, the United States is now racing to build bigger boosters than the Russians have thus far demonstrated. Unless this development continues, the Russians will continue to dominate space.

Moreover, in the view of these experts, although the pace of the U.S. space program has been set by real political needs, the ultimate objectives have always been there. Thus, there are military and scientific and practical applications of space near the earth. And beyond the moon there are the planets.

In effect, what these experts maintain is that with or without Soviet sputniks, Americans would have wanted to explore the heavens. The only question is whether to do it in a hurry.

Slowing down NASA's effort to get men to the moon within this decade brings as much horror to many space experts as does the suggestion of abandoning this goal outright. This is so because they say that it will cost the American taxpayer more to slow down than to keep on a steady pace.

NASA officials estimate that a slowdown in the sense of chopping a few hundred million from their budget request this year would raise the total cost of Project Apollo \$2 to \$3 billion. Not everyone agrees with the NASA officials.

But few persons argue with the notion that a slowdown or stretchout would cost the moon program some of its best scientific and

technical talent, who would quit to seek other jobs.

Mr. FULBRIGHT. Mr. President, let me ask whether the Senator from Texas can tell us how much NASA is spending in Texas.

Mr. YARBOROUGH. I do not have in mind the exact figure, but the amount is a sizable one—although not as much as NASA is spending on research in California. As Senators know, 48 percent of all the research funds are spent in California. Furthermore, the amount being spent in Texas is not as great as the amounts being spent on the launching pads in Florida or the amounts being spent on the sites in Louisiana. However, Texas is among the four or five leading States in terms of the amounts being spent on research. In view of the research laboratories being established in Texas, I believe Texas will be among the leading four or five States.

Mr. FULBRIGHT. The NASA budget request was \$5.7 billion. Would the Senator from Texas say that one-fifth of that is to be spent in Texas?

Mr. YARBOROUGH. No, because much of that work is subcontracted, as Senators know.

Mr. FULBRIGHT. The contemplated NASA expenditures in Texas would not have anything to do, would they, with the position of the Senator from Texas in regard to the U.S. attempt to reach the moon?

Mr. YARBOROUGH. Mr. President, the opinions of more than 10 million people in Texas would have something to do with my opinion in regard to that matter; but I would have great qualms about that program if I thought it would result in stopping research. However, the Washington Post article which I have had printed in the *Record* states that this is not an "either or" proposition, but that if research, including research in the biological sciences, were to be stopped, that would be a matter of grave concern.

Mr. FULBRIGHT. But the Senator from Texas knows that NASA has already hired a great majority of all the available scientists in this field, and scarcely any are left for use by the industries and the universities.

Mr. YARBOROUGH. Yes; but I point out that the effort to reach the moon will use only a small part of the total number available for scientific research, and the expenditures for landing on the moon program will involve only a small part of that total. The greater part of the research is in regard to space, about which we need to know, in any event—in connection with weather developments and modifications, and many other programs.

The research as to the kind of vehicles we can land on the moon and as to how man can live on the moon is only a small part of the total amount of research. The overwhelmingly large part of the research—approximately 80 percent, I believe—is on space exploration, as such, as distinguished from making a landing on the moon; and we need this space research, because of its effect on many other branches of science and many other effects on human life and environ-

ment, including pollution of the atmosphere and pollution of the space above the atmosphere. Many other important developments and programs are involved; and the cost of the effort to reach the moon is only a small part of the total.

Mr. President, I thank the Senator from Alaska for yielding to me.

Mr. GRUENING. Mr. President, last week the distinguished Senator from Arkansas [Mr. FULBRIGHT] made in the Senate a most important and impressive address in which he stressed the importance of our having priorities in connection with our Federal expenditures. He pointed out that there is a great shortage of educational facilities, classrooms, teachers, and also there are many unemployed, and that there are perhaps no more important programs or efforts than those in connection with education—not even the effort to reach the moon. I wish to say that I fully agree with him. I think it is extremely important that we take care of the necessities of mankind on this planet before we start reaching for the others, with which we can deal in due time.

Mr. YARBOROUGH. Mr. President, will the Senator from Alaska yield again to me?

Mr. GRUENING. I yield.

Mr. YARBOROUGH. As a member of the Educational Subcommittee, I have been a coauthor of most of the educational bills introduced in the Senate during the past 5 years. They include the National Defense Education Act of 1958. I thoroughly agree with the Senator from Alaska that we should make a real effort to provide Federal aid to education. I do not think the moon program or any of the other programs has slowed up the efforts to provide Federal aid in the field of education.

The Senator from Alaska knows that many people oppose the provision of Federal funds for education, on the theory that that program would infringe on their control, and on many other grounds totally unconnected with the cost involved in the effort to reach the moon. If I thought the program to reach the moon would slow up education in the United States, I would not advocate a continuation of the moon program. But the editorial and the article I have just now placed in the *Record* show that we are already so greatly committed to the effort to reach the moon that, in the long run, there will be little change in the cost, regardless of whether at this time any changes in that program are made, because the scientists are already employed and the money is being spent.

I thoroughly agree with the Senator from Alaska that we need to increase our efforts to have the Federal Government provide adequate aid to education. During the previous Congress, the conference between the House and the Senate on the aid-to-education bill bogged down, for the House would not agree. The House has said, both last year and this, that scholarships are among the things most needed. I honor the Senator from Arkansas [Mr. FULBRIGHT] for the Fulbright exchange plan

and for his leadership in the field of education. Many scholarships should be provided.

In connection with the National Defense Education Act of 1958, the effort to make provision for scholarships lost by a margin of only two or three votes on the floor of the Senate. Loans for fellowships are provided for; but we should have 7,000 fellowships a year—that many people working on their doctorates, with grants from the Federal Government. We now have 1,500 a year—only a small beginning.

I favor all these educational programs—a great Federal "crash" program for education. I do not think the space program is the cause of our failure to provide Federal funds for education. The issue of Federal funds for education has been fought over for 20 years or so—long before the moon program was even thought of. Yet we still find the same objections being made—although they have been made for decades—in an attempt to prevent Congress from undertaking a real aid-to-education program.

I thank the Senator for his interest.

Mr. GRUENING. We all recognize that the Senator from Texas has been a staunch supporter of all forms of education. He has even gone beyond the administration program in urging an important piece of proposed legislation of which I am happy to be a cosponsor—the cold war GI bill—which would extend to young men who are drafted the same educational or similar educational opportunities to those that were afforded to veterans of World War II and the veterans of Korea.

But the issue that I believe was raised by the Senator from Arkansas was that, after all, we have only a certain amount of money to spend on all of our needs. If we are going to spend \$5 billion annually on the space program, it is inevitable that some other domestic needs will be neglected. I share the view that we could take one or two of those billions of dollars and put them into education, into accelerated public works, and into measures which would put our unemployed to work and train those who are not adequately trained in order that they may obtain jobs. That would be more important than to have a target date for reaching the moon.

Let us suppose that we reach the moon in 1980 instead of 1970. Is the earlier date and its additional cost in billions of dollars comparable in importance to the needs of the people on earth? That is the point that I believe the distinguished Senator from Arkansas was trying to make—a view which I share.

Mr. YARBOROUGH. Mr. President, will the Senator yield for a statement at that point?

Mr. GRUENING. I yield.

Mr. YARBOROUGH. One of the frustrations that I am sure I share with the Senator from Alaska is that it is easier, relatively, to get money for foreign aid, a trip to the moon, or vast expenditures amounting to \$48 to \$50 billion, than it is to get a smaller amount of money for domestic improvements in our country.

I am coauthor—and I am certain that the distinguished Senator from Alaska

is also—of the Youth Conservation Corps bill—700,000 youths between the ages of 16 and 21 who are unemployed and not in school will remain dropouts because their educational attainments are so small. They could be made productive members of society if we had the equivalent of the old CCC to work with. The bill passed by the Senate has gone to the House and has there bogged down.

The Senate has passed a program related to water research. The senior Senator from New Mexico [Mr. ANDERSON] has led the fight for water research and the purification of water in our country. We are reaching the stage of water scarcity all over our country—even on the Atlantic seaboard.

Such programs cost little compared to the defense program. They cost less than the proposed trip to the moon. Year after year these programs have been urged. Session after session we have urged action. We pass the bills, they cross the center of the Capitol, and then they die.

We need those programs. I do not believe the program for the exploration of space is slowing our domestic programs. The domestic programs are slowed by inertia at home. There is an unwillingness to explore. I have sat as a conferee in conferences with Members who have said, "I will not spend any more for new programs." We would still be vassals of England if that attitude had prevailed in the Continental Congress. It is distressing that so many of these things are needed on the domestic front. It is not the exploration of space that slows them up; it is the inertia of the human mind that influences people to be reluctant to embark on a new program when the need is so patent.

The Youth Conservation Corps program is not new; the GI bill is not a new program. They represent the most successful programs for young people that our country has ever had. Yet we cannot continue such programs.

The need for water research is patent everywhere—certainly everywhere west of the Mississippi River. It is far more difficult to get a little money for many programs of that kind than to get a great deal of money for foreign aid or space exploration. Whether my views on space exploration are accepted or not, I am for those programs, and I shall fight diligently and as long as necessary for each of those needed domestic programs, particularly those in the field of education and public health.

FOREIGN AID REFORMS ARE NEEDED NOW—NOT LATER

Mr. GRUENING. Mr. President, I rise to commend the able and distinguished chairman of the Senate Committee on Foreign Relations and his colleagues on that committee for the truly excellent report they have filed on H.R. 7885—the foreign assistance bill.

Time and time again in its report the committee is frank in pointing out areas where the foreign assistance program literally cries out for changes.

For example, on page 5 of the report, the committee states:

The committee is less impressed with the case made by the executive branch for the

maintenance of U.S. AID programs, even on a small scale, in virtually every underdeveloped country in the free world and in a few developed or relatively developed countries. The committee sees little merit in aid programs whose sole or major justification is the maintenance of a U.S. "presence" or the demonstration of U.S. interest. It is equally unenthusiastic about aid programs, both military and economic, whose major purpose is to provide an alternative to Soviet-bloc aid.

Mr. President, these words of the Foreign Relations Committee are long overdue. So are the words contained in the report further down on the same page:

Specifically, the committee believes that countries which can take care of themselves should be eliminated from the program, that even more selectivity among countries should be introduced.

This is what I—and a small group of my colleagues—have been urging for years now.

The committee's report is replete with similar instances of deep soul searching by the committee as it studied the foreign aid presentation for fiscal year 1964.

Thus on page 8 the report states:

The committee hopes through this amendment to avoid situations in which loans are made for projects beyond the technical and managerial capacities of the borrowing country.

And again on page 10 the committee stated:

No program of technical assistance shall be undertaken in the absence of a prior commitment by the recipient country to accept responsibility for the continuation and financing of the program at the end of a period of not to exceed 7 years unless the program is scheduled for earlier completion.

In my report to the Senate Committee on Government Operations of a study of U.S. aid programs in 10 Middle Eastern and African countries, I stated:

In the 10 countries studied, in the fiscal year 1962, there were 218 separate technical assistance projects on an almost unlimited number of subjects. There were in addition projects for which development loans were made, as well as local currency loans. Since they involve so many diverse subjects, it is a physical impossibility to make certain that their execution is efficiently carried out. We are thus scattering our aid as though from a shotgun rather than concentrating more effort on the fewer projects that need more aid now.

Copies of my report are available in the cloakroom.

It is to be noted that in its excellent report, the Clay Committee recommended a maximum period of 7 years for technical assistance projects—as did the Senate Committee on Foreign Relations—but the Clay Committee went further and stated that 3 years should be the average for such projects.

At least, however, the Senate Committee on Foreign Relations has made a beginning in this area.

With some of the other recommendations of the committee, I find myself in agreement. However, on some I find myself in total disagreement with the committee.

Thus beginning on page 6 the committee seems to be urging a wider delegation of lending authority to international development agencies. In theory this may lead to objectivity. But I cannot sup-

port the suggestion since it also leads to a further dilution and possibly a renunciation of congressional responsibility and the turning over to an international agency the responsibility for lending and spending U.S. dollars. This could be an abdication of the constitutionally prescribed responsibility of the Congress. I could never support that.

Again on page 9 the committee supports increased development grants to Africa. This recommendation I cannot support. The Clay Committee has rightly pointed out that the primary responsibility for the economic development of the African nations should rightly rest on the former colonial powers. I support the Clay Committee recommendation, and in this case not that of the Senate Foreign Relations Committee.

On the same page the committee supports increased development grants for the Near East. Having just completed a detailed study of our assistance programs in 10 Middle Eastern and African countries, I can categorically state that with the exception of Tunisia and Jordan our economic assistance programs in those countries should not be increased. At least that is my view, which I believe I amply document in my report.

On page 11 the committee states that the American-sponsored universities in Beirut and Cairo are "spreading American ideals and culture." This statement I dispute. From the study I have made I would be more inclined to state that these two universities are spreading not American ideals, but the ideals and thinking of President Nasser. I think that no further increase in funds for these universities should be made until we are assured that there is full academic freedom on its campuses. I object to spending U.S. tax dollars to spread Nasser's particular concepts of history and politics.

On the other hand I commend the committee most highly for its amendment authorizing the use of research funds for population control studies. This too is a long overdue amendment. We cannot sit idly by while the population explosion nullifies whatever economic gains are brought about by our aid.

The committee should also be commended for its addition of fish products to the list of Public Law 480 products. As I have pointed out in the past, the use of fish products to feed the hungry peoples of the earth offers a great potential new food source. If we could but overcome the stubborn resistance of the Food and Drug Administration to the use of protein concentrate we would make a further gain in discovering new food sources.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. DOUGLAS. I say "amen."

Mr. GRUENING. No one has done more to promote the use and acceptance of fish flour, fish protein concentrate, than has the distinguished senior Senator from Illinois. I hope that his efforts will be successful in respect to having the agency which controls this matter change its policy.

In the days ahead, as we debate this most important bill, I shall have occasion to point to other sections of the Foreign Relations Committee report, which makes well-merited recommendations for improvements in the U.S. aid program. The ones I have already pointed to should serve to illustrate the high caliber of the report. However, Mr. President, the time is long past when the Senate can, year after year, continue to denounce the manner in which the U.S. AID program is administered, when instance after instance of shocking waste in the U.S. AID program is brought to our attention, and yet continue to authorize appropriations at just about the level requested by the President.

This year is no exception.

In my opinion, the amount authorized for this program in the other body is more than sufficient to carry on this program richly. We shall gain no friends by being profligate. We shall only lose the respect and confidence of the other nations throughout the globe. The action by the Senate Committee on Foreign Relations in raising the total amount to be appropriated for the U.S. AID program to within \$302 million of the amount requested, after correctly pointing out where savings can be made by tightening the program, is not only extremely disappointing, but also a negation of the committee's sound pronouncements. It is a case of not suiting the action to the word.

With all due respect to the committee, it should have started with the figure authorized by the other body and taken a hard look to see how much lower it would be if the committee's recommendations were carried out.

With foreign aid being dispensed in 79 countries, but with 80 percent of it concentrated in only 20 countries, the time has come to take a good hard look at our U.S. AID program in the other 59 countries and ask ourselves whether our aid program is really necessary to each and every one of those countries. Are we really doing our image any good in those countries, or are we doing it more harm than good? Are we really achieving something there in behalf of U.S. security and world peace—the long-presumed major objectives of our program?

We need to ask ourselves those questions and give ourselves honest answers, because U.S. economic and military foreign aid has in the past 16 years become part and parcel of our foreign policy.

In the days before the advent of these programs, the arsenals of U.S. diplomats abroad consisted almost entirely of their own diplomatic skills, their powers of persuasion, and the logic and soundness of the point of view they sought to convey. There was, of course, for an unfortunate number of years, our use of gunboat diplomacy in Latin America, but that has, happily, come to an end. I am glad that, as a journalist and later as the adviser to the U.S. delegation to the Seventh Inter-American Conference in Montevideo in 1933, I played a small part in bringing about this desirable reversal of previous U.S. policy.

The role of the Congress prior to the advent of the AID programs was essentially a negative one. Both Houses passed on appropriations to support the embassies and their staffs abroad. Under the Constitution, the Senate was given the role of advising and consenting to treaties negotiated by the executive branch. Essentially this latter function is a negative function, even granted the power to attach reservations to a treaty.

But this role of the Senate was not always thus confined or conceived.

Initially our Founding Fathers intended that the major role in foreign relations should be carried on by the Senate itself. The President's role was intended to be minor.

As a matter of fact, as originally reported to the Constitutional Convention on August 6, 1787, the treaty clause of the proposed Constitution made no provision whatsoever for any participation by the President in the treaty-making process. The clause read:

The Senate of the United States shall have power to make treaties, and to appoint ambassadors, and Judges of the Supreme Court.

The exclusion of the President from the treaty-making process was urged by those who felt that, because treaties became, under the Constitution, the "supreme law of the land," the treaty-making process was basically a legislative function and should be entrusted to the Senate.

The provision in the Constitution giving the President a role in the treaty-making process is a unique clause. The President is given the power "by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur."

It should be carefully noted that the Founding Fathers intended the Senate's advice and consent to be a continuous process from the beginning to the end of the treaty-making process.

Thus Hamilton wrote in the Federalist—No. LXXV:

The history of human conduct does not warrant that exalted opinion of human virtue which would make it wise in a nation to commit interests of so delicate and momentous a kind, as those which concern its intercourse with the rest of the world, to the sole disposal of a magistrate created and circumscribed as would be a President of the United States.

Years later—in 1818—Rufus King, who had been a member of the Constitutional Convention and who held the seat in the Senate now occupied by the able and distinguished senior Senator from New York [Mr. JAVITS] said on the floor of the Senate:

In these concerns the Senate are the constitutional and only responsible counselors of the President. And in this capacity the Senate may, and ought to, look into and watch over every branch of the foreign affairs of the Nation; they may, therefore, at any time call for full and exact information respecting the foreign affairs, and express their opinion and advice to the President respecting the same, when, and under whatever other circumstances, they think such advice expedient.

As the years went on, the power of the Senate gradually was eroded. But now

times are different. Foreign aid impels each and every Senator to consider the conduct of our foreign policy his business and responsibility, for he is called to pass judgment on the utilization of large sums—huge sums—of U.S. dollars to be given to one nation, to be withheld from another, to be loaned to still another.

This power must be jealously guarded and carefully exercised. It is every bit as important as the Senate's role in approving treaties. In some respects it can be said to be an even more important function, for its actions on treaties are performance such as to amount to coming in at the landings—approval of the foreign aid program in advance means that the Senate is coming in at the takeoff.

Let us take the time to do the job right and thoroughly.

During the course of the debate on the foreign aid authorization bill, I shall offer a number of amendments designed to strengthen the foreign aid program. Some of these I have submitted already. Others I shall offer in the days ahead.

Today, I shall confine myself to discussing the sums of U.S. dollars involved in the House-passed bill as opposed to the amounts involved in the Senate committee amendment.

I believe the amounts added by the Senate are a grave mistake. One of the biggest problems besetting the foreign aid program over the years has been its lack of selectivity. Thus, in the 10 Middle Eastern and African countries I studied in fiscal year 1962, there were at least 218 separate projects. Surely in the interests of efficiency some of these projects—many of which have been going for more than 10 years—could be eliminated and millions of dollars saved.

I suggest, therefore, that we reject the committee amendment without prejudice to the amendments being brought up one at a time and each considered on its merits.

The Senate committee has, for example, increased title II development grants and technical cooperation from the House-granted figure of \$217 to \$225 million—an increase of \$8 million. In the light of all these reports about doing too much for too many too fast, is that \$8 million necessary or can the program work as well without it?

The Senate committee, as another example, has added \$25 million to the contingency fund, making it \$175 million. I cannot, Mr. President, conceive of a genuine emergency arising of sufficient importance that could not be stemmed sufficiently by the President using \$150 million until the Congress can increase that fund. Is the added \$25 million really necessary? The committee states that in 1962 it was necessary to transfer \$275 million from the military assistance fund to the emergency fund. In 1963 the amount appropriated was more than was needed.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. GRUENING. Indeed, I yield.

Mr. FULBRIGHT. I merely want to make the record clear that the Senator is comparing these figures with the House

figures. He is not comparing them with the administration's request, because in each instance which the Senator has mentioned the committee cut the recommendation of the administration. Is that not correct?

Mr. GRUENING. I know what the chairman states is so.

Mr. FULBRIGHT. Let me for the record state that originally the administration proposed to request approximately \$4.9 billion. After the Clay report was published, the administration revised the request to \$4.5 billion, in round numbers. They are not the exact figures. Again in round numbers, the committee cut that amount another \$300 million, to approximately \$4.2 billion. So it depends on how one is presenting the figures whether it is an increase or a decrease. We say in the report that we decreased the administration's request by \$300 million.

Mr. GRUENING. I welcome the comments of the chairman of the committee. I applaud the action of the committee in having reduced, in limited degree, the estimates of the bill presented to it, but I shall endeavor to point out how we could effectively save more money and improve the program.

Mr. FULBRIGHT. Let me add to what I have said, that it is no secret, it is the universal practice, without exception, that in going to conference with the House, the amount is still further cut. The Senator knows that.

Mr. GRUENING. I have a feeling we should not count on what may happen, but should act on the basis of what we think should be done.

Mr. FULBRIGHT. It is not a question of "may happen," I say with due deference; it has always happened, and is bound to happen again.

Mr. GRUENING. As another example, take the increase of \$300 million for military assistance. The House authorized \$1 billion—the Senate committee increased it to \$1.3 billion. We could save about \$125 million by the adoption of the amendment which I have introduced to stop military assistance to Latin America. I am certain that a military assistance package of \$1 billion as approved by the House will suffice.

This is what I mean, Mr. President, by full debate. Let us not adopt the committee amendments. Let us work with the House bill. Then let us add to it those amendments which one by one can be brought up by the committee and the Senate be permitted to work its will.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. PROXMIRE. Does the Senator plan to object to the usual unanimous-consent request that the committee amendments be treated en bloc and that the bill then be treated as original text?

Mr. GRUENING. Yes; I shall object on my own account and for the Senator from Oregon [Mr. Morse].

Mr. PROXMIRE. I have done that before. I think in this particular case, when there is substantial sentiment for something like the House bill, and when

each amendment should be discussed carefully and thoughtfully, that is a logical way to achieve that objective. I think it is not in any sense obstructing or slowing down the process, because as I understand, we would have an opportunity to take up each amendment and go back to the House bill. So what the Senator is suggesting is constructive and will not delay the Senate.

Mr. GRUENING. Both on behalf of myself and the Senator from Oregon, who has been obliged to leave for another commitment, I shall object to any unanimous-consent request on the bill at the present time.

Mr. PROXMIRE subsequently said: Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure.

Mr. PROXMIRE. The Senator has made an excellent statement. The reason I am asking the Senator to yield is that I was in error a few minutes ago when I discussed amendments to this bill. An entirely different procedure was used on the Senate amendments yesterday than the one that is often followed in the Senate. Instead of reporting a series of amendments, the committee reported one committee substitute. The usual procedure is to have the committee amendments considered en bloc. For that purpose it is necessary to obtain unanimous consent. In connection with the procedure that was adopted yesterday, no objection is in order. It was made clear by the Vice President and other Senators who were on the floor at the time that the procedure adopted yesterday was a perfectly proper and appropriate procedure. The reason I rise at this point is that I wish to correct the erroneous impression I left in the record a few minutes ago, when I indicated that I thought unanimous consent would be required to treat the committee amendments en bloc.

Mr. GRUENING. That was a highly technical parliamentary question. In reading the Record this morning, I found it not too easy to understand fully the reasoning of the Vice President, as suggested by the Parliamentarian. However, I believe our objective certainly is to have every amendment fully discussed, and not to be confronted with an accomplished fact. This is far too important a subject to be decided in an offhand manner, a situation in which millions of dollars and fundamental policy are involved.

Mr. PROXMIRE. The Senator is underlining the point that I have tried to make. All amendments are in order. Any Senator may offer an amendment without objection being in order. Any section of the amended bill may be amended.

This was one of the few times, certainly in my 6 years of experience in the Senate, when a committee had made a series of changes in the bill and submitted to the Senate a single substitute amendment, instead of reporting several amendments to be treated en bloc. But I understand the Senate Foreign Relations Committee has done this quite often.

Mr. GRUENING. I thank the Senator. Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. FULBRIGHT. For the information of the Senator from Wisconsin, I should like to say that I have checked with the chief of staff of the committee, and I am informed that the procedure followed yesterday has been followed every year but one during the 6 years that the Senator from Wisconsin has served in the Senate. That procedure was followed in at least 5 of those years. It is not a devious plan to deceive Senators. It is a simpler way to do it that way than the other way.

Mr. PROXMIRE. I did not have any notion that anything devious was being done.

Mr. FULBRIGHT. That is the usual procedure.

Mr. PROXMIRE. The reason I raised the point was that in connection with most bills—although it is indeed different with foreign aid authorization bills, and I am sure that the Senator from Arkansas is absolutely correct with respect to foreign aid bills, and that it must have been handled in this way in 5 of the last 6 years—on most other bills, however, I am sure he will agree, when a number of changes have been made in a House bill, the committee reports the changes to the Senate in the form of committee amendments, which are treated en bloc. I see no objection to the procedure that has been followed here. It is a perfectly proper and desirable method of procedure. In fact, it is probably more efficient.

Mr. GRUENING. Mr. President, as for money, I can make certain suggestions as to how the sums recommended by both the House and the Senate committee can be further reduced.

In Brazil, because of the chaotic conditions there, we could save at least \$172.3 million by stopping aid there. Brazil represents perhaps the most flagrant example of unwillingness to make itself eligible for U.S. aid under the Alliance for Progress program. It has welshed on every promise of reform. We have poured \$2½ billion into that rich country and there is next to nothing to show for it. Yesterday morning's New York Times, in an editorial, points out clearly the long overdue and repeatedly urged need for fiscal reforms in Brazil. Until those reforms are made, we should stop all aid to Brazil.

But of course we are not stopping all aid to Brazil, however overwhelming the evidence that we should do so. In this morning's Washington Post I saw a little item on an interior page headed: "AID Project in Brazil," which says:

The Agency for International Development has authorized an Alliance for Progress grant of \$130,000 to send three engineer-technicians from the U.S. Bureau of Reclamation to assist in the development of hydraulic works in northeastern Brazil and to train Brazilians in that field.

Mr. President, just what does this mean? Is this the beginning of plans for a multimillion dollar hydroelectric

program? Are we planning to create a Tennessee Valley Authority in Brazil? Are we contemplating one or more multimillion dollar power dams for Brazil? Certainly this item is highly suggestive, and I think it might be well if our Foreign Relations Committee, our Government Operations Committee, and our Appropriations Committee looked searchingly into what this entering-wedge of Bureau of Reclamation officials to assist in the development of hydraulic works in northeastern Brazil and to train workers in that field, signifies.

Unfortunately, the history of our foreign aid has been one of making far-reaching entering-wedge commitments which may look innocent and praiseworthy enough at the time but ultimately results in our expenditure, often wasteful, of millions, tens of millions, and hundreds of millions of dollars. The mere fact that in the face of Brazil's record of broken promises and failure to straighten out its chaos, we are continuing foreign aid in any form is most disturbing.

In oil-rich Libya—which no longer needs our aid—let us stop the program and save \$12.5 million there.

The Dominican Republic and Honduras are already cut from economic and military aid, saving \$51.7 million and \$14.4 million for a total saving of \$66.1 million.

Let us stop aiding aggressor nations such as Indonesia and Egypt which cause neighboring countries, also receiving U.S. aid, to spend money for armaments rather than economic development. We could save \$140.9 million and \$198.7 million for a total of \$339.6 million.

Why should we continue to pour money into unstable Syria which also seems determined to build up their military might. We could save \$400,000.

Prosperous Europe can well afford to increase its military and economic expenditures by \$899.1 million to save the U.S. aid program that amount.

Algeria and Morocco are now bent on wasting their energies and our moneys on a war threatening to spread into world conflagration. According to press releases, Egypt's Nasser—made bold by our support of his actions in Yemen—has sent military forces to add fuel to the flames of the Algerian-Moroccan conflagration. Stopping aid to these two nations would save us \$154.6 million.

The Argentine situation is at the present time so unstable—despite the statements that there have been elections there—that it would be well worthwhile to halt further aid to that country until it is politically on that sound basis so essential for economic development. If aid to Argentina were stopped we could save \$156.5 million.

These few countries, where it is obvious that our money is either not needed or being wasted, received in fiscal year 1963 the grand total of \$1,801.1 million. Think of it—nearly \$2 billion.

This amount should be unhesitatingly cut from the appropriation authorization.

To recapitulate, Mr. President, the following sums could be cut from the for-

eign aid authorization bill on the basis of fiscal year 1963 obligations:

	Million
Brazil	\$172.3
Libya	12.5
Dominican Republic	51.7
Honduras	14.4
Indonesia	140.9
Egypt	198.7
Syria	.4
Europe	899.1
Algeria	79.6
Morocco	75.0
Argentina	156.5
Japan	67.8
Total	1,868.9

Those of us who are in favor of foreign aid—who realize how vital it is to the nations of the free world—can do most for that program by transforming it into a program using a rifle approach rather than a shotgun approach.

Those friends of the foreign aid program who take the attitude that the smallest criticism of the program—however justified—is sacrilegious are doing the foreign aid program a real disservice.

And the time to improve the program is now—not next year. It is always next year with the foreign aid program—and it has been next year for years and years past.

How can we defend voting huge sums for a program which reaches into at least 79 nations all over the globe and stands ready apparently to come into any newly formed country right on the heels of the proclamation of independence. There is no rhyme or reason for our being in Africa with thousands of men and women flitting around from one newly independent country to another offering our economic assistance and plans and program even before the new government can take office and stabilize itself, as we have also done in British Guiana, to our sorrow.

Mr. President, I would rather aid the unemployed Negroes of the United States than the Negroes of Africa. I would rather spend our funds in putting our fellow Americans without jobs into gainful employment. Our accelerated public works program is out of funds while countless good projects are processed and waiting. They should have priority over increased aid to Africa.

There is one question I wish answered by those who say that a U.S. "presence" is necessary and therefore an aid program is needed in a particular country. That question is: How was diplomacy conducted abroad by our able diplomats in the days before aid? It seems to me that our diplomats were doing pretty well generally without the use of vast sums of U.S. funds. Let us stop using dollars to take the place of shrewd intelligent diplomacy geared to farsighted policies and objectives.

I should like to amplify briefly the point I have tried to make in my speech, which is that we have been confronted in the last 15 years with an entirely new basic fact in foreign policy. Prior to that time it was assumed, under the Constitution, that the President made foreign policy, and that in certain limited

fields, such as in treaty-making, the Senate advised and consented. We are now confronted with the new and unprecedented situation that millions of dollars are used as an instrument of foreign policy through our foreign aid program. Of course Congress is responsible for the appropriation of funds. Therefore the House and the Senate have a new duty and a new responsibility, which did not exist before, to inject themselves much more vigorously into the foreign aid program.

We have a right to study and to know where our U.S. dollars are going, and whether they are being used wisely. I sought to point out that there were a number of specific countries where, in my judgment, we could properly withhold foreign aid from countries until certain interval reforms were made, and from countries which engaged in aggressive warfare.

I prefer that approach to the blanket approach of the House of Representatives, of cutting off large sums of money without specifying where or why. I have in mind specific countries—and have named them—from which we could cut off our foreign aid. I hope that in the course of the debate those countries will be discussed individually. I believe it is a mistake to give foreign aid regardless of a country's failure to make reforms and regardless of whether it is engaged in aggressive warfare and misusing our aid in this manner. If we follow such a policy we will not have, in my opinion, a successful foreign aid program, a program that will be useful.

I believe that foreign aid is desirable. It has been a necessary program. I think the Alliance for Progress was an inspired idea. However, it has not worked as it should because we have not insisted on a quid pro quo, as we have the right to insist.

It has been said that when we go into a foreign country and say to it, "You must do such and such," we are interfering with the sovereign right of a government. I do not share that view when we are giving that country our financial and other aid.

No country is obliged to accept foreign aid. Any country can reject it nor is there any obligation for the United States to give aid to any country. However, we have a right to say to a country, "You need not accept our foreign aid. If you do accept it, we ask you to accept it on such and such terms." If that country does not like our terms it can reject them. That is not interfering with the internal affairs of a sovereign government. I feel that this fundamental aspect of our foreign aid program has been lost sight of. If the United States had kept it in mind, had adhered to it and made its position unmistakably clear, our program would have been far more successful and at a much lesser cost. It would have obviated some of the difficulties which now confront it.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD following the conclusion of the statement of the Senator from Alaska [Mr. GRUENING] an editorial en-

titled "Reshaping Foreign Aid," published in the Washington Post of Friday, October 25, 1963.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

RESHAPING FOREIGN AID

The administration owes a debt of gratitude to the Senate Foreign Relations Committee. Not only did the committee recommend a total foreign aid authorization of \$4.2 billion—\$800 million more than the House has approved—but the Senators subjected the entire program to a thoughtful scrutiny. The report accompanying the committee's recommendations is in most respects a model of legislative responsibility.

What lends weight to the verdict is that the committee's realistic dollar authorization was not the result of a mood of cheerful assent. The committee dealt in a hardheaded way with a program that is sometimes indifferently explained or defended. And the committee's report contains constructive recommendations for new approaches to the foreign aid program.

Specifically, the committee felt that "countries which can take care of themselves should be eliminated from the program, that even more selectivity among countries should be introduced, and that prompt and serious consideration should be given to a greatly increased utilization of multilateral agencies, such as the International Bank for Reconstruction and Development, and its subsidiaries, notably the International Development Association."

The reason why international agencies can often be more effective in administering foreign aid was set forth by Eugene Black in a statement quoted in the report:

"Because they are known to have no ulterior motives, they can exert more influence over the use of a loan than is possible for a bilateral lender; they can insist that the projects for which they lend are established on a sound basis, and—most important—they can make their lending conditional upon commensurate efforts being made by the recipient country itself."

The committee's recommendation ties directly in with proposals already made to give more multilateral direction to the Alliance for Progress. This policy can point the way to a far greater return on the dollars invested in helping other countries to help themselves.

On some other details, there can be disagreements with the committee's recommendation. But on large points of dollar authorization and overall policy, Senator Fulbright's committee offers the Senate a solidly wrought bill that should be overwhelmingly approved. That massive approval will be needed if the Senate, once again, is to rescue the foreign aid program from the brutal damage attempted in Passman's Gulch.

THE KERR-MILLS ACT—MEDICAL ASSISTANCE FOR THE AGED

Mr. DIRKSEN. Mr. President, in order that the Senate be familiar with the differences of opinion current regarding progress under the Kerr-Mills Act and voluntary efforts to provide medical care for persons past 65, I invite its attention to the minority views set forth in the report issued yesterday by the Subcommittee on Health of the Elderly.

I am happy to acknowledge that even now it is out of date with reference to growth of health insurance. Yesterday the Health Insurance Association of America reported that at the end of 1962,

60 percent of all Americans over 65 were covered by voluntary health plans.

This increase of almost 10 percent in coverage during a single year dramatically demonstrates the rapid progress being made.

I ask unanimous consent that a shortened version of the minority views be placed in the RECORD at the conclusion of my remarks. I also ask unanimous consent that the supplementary views of Senator HIRAM L. FONG be placed in the RECORD thereafter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MEDICAL ASSISTANCE FOR THE AGED—THE KERR-MILLS PROGRAM 1960-63—MINORITY VIEWS OF SENATOR EVERETT MCKINLEY DIRKSEN, SENATOR BARRY GOLDWATER, AND SENATOR FRANK CARLSON

Improvement in methods of financing medical care costs for persons past 65 has been rapid and substantial during the past several years.

This improvement, which has been both quantitative and qualitative, has resulted in part from a continuation of higher income among older people, in part from volatile expansion and refinement of voluntary health insurance, in part from development of public programs encouraged by Federal grants-in-aid to the States and in part from continued growth of State and local aid programs which do not employ Federal funds.

It is almost inconceivable that an effort be made to evaluate any one of these major elements relating to medical care of older people without clear and careful reference to accomplishments by the others. Yet this is precisely what has been attempted in the majority report.

The Kerr-Mills Act medical assistance to the aged program, with which the report is concerned, was never expected "by itself" to provide the sole avenue for financing medical care for the Nation's 18 million persons past 65.

OTHER PROGRAMS

Expansion of the medical care aspects of the old-age assistance program by the same act indicated the desire of Congress to continue medical services under that program to persons receiving cash public assistance, now approximately 12 percent of the Nation's over 65 population, and to afford greater flexibility to the States in developing medical programs for older people with limited or no resources. This action regarding the OAA medical vendor payment program has resulted in this type of benefit being newly made available to at least 600,000 people in 11 jurisdictions and in an expansion of OAA coverage under such programs in 4 other States to include the medically indigent, not in need of subsistence payments. To ignore this, is to leave out an important part of the picture.

The majority statement fails, also, to take into account State and local programs providing medical care for older persons without Federal grants. Conceding that information about such programs may be difficult to assemble, their existence must be recognized in any appraisal of medical care for older people.

One striking example in this regard is the State of Colorado. It has not enacted MAA, but it does have a medical care program, State supported, which as of June 30, 1962, covered 53,000 persons, 32 percent of the State's over 65 population.

It is interesting to note further, that the Colorado State Legislature, apparently on the basis of its experience, adopted a resolution opposing enactment of a medical service program under the social security system.

That voluntary health insurance, and its role in meeting the needs of older people, should be disregarded in an appraisal of MAA, however, probably constitutes the most glaring omission in the majority statement.

According to a report made by J. F. Follmann, Jr., director of information and research, Health Insurance Association of America, at the end of 1961, 55 percent of the people past 65 had voluntary health insurance coverage.

It should be noted that this report is almost 2 years old. Since then there has been an intensive development and sale of new health insurance plans for older people.

Nor is there substantiation for the claims, oft repeated, that those persons without health insurance are unable to pay for it.

In reporting on a survey of persons past 65 conducted by the National Opinion Research Center of the University of Chicago, Ethel Shanas, who directed the study said:

"All persons who had no health insurance were asked whether they would be interested in obtaining coverage. Half of them said they would be, but that they could not afford it (34 percent of the total) or that 'they won't sell me any' (16 percent). One-fourth said flatly 'I don't want it,' and the same proportion said, 'I've never thought about it.'"

The new insurance plans, developed since the 1957 Shanas study, undoubtedly constitute an answer for the 16 percent who said "they won't sell me." Assuming continued validity of the survey's findings, this would leave roughly one-third of the uninsured (one-sixth of the total over 65 population) who deem their own finances to be insufficient to permit purchase of insurance. How many of these are now beneficiaries of old-age assistance medical services, Veterans' Administration medical benefits, the Kerr-Mills medical assistance for the aged program, and other federally supported programs, would provide a valuable area for study.

While there is agreement that some older people need and should have services related to medical care provided in part or totality through Federal and State funds, an attempt to appraise such programs without reference to private plans inevitably will be deficient.

That voluntary health insurance, supplemented by public programs where needed, is the Nation's method of choice for financing major medical costs is indicated by congressional mail and the results of polls conducted by Members of Congress.

Of 33 recent polls of the constituents by Members of Congress (23 Republicans and 10 Democrats), 31 produced majority views against a Federal social security system program.

Connecticut, whose MAA program is the object of criticism by implication in the majority statement, affords one of several instances wherein disregard of health insurance can be fatal to an accurate evaluation. As of now, 85 percent of that State's 65-plus population has voluntary coverage.

Any judgment regarding long-term policies of the Federal Government with reference to medical care for older people must, to be most valid, give recognition also to improving levels of income among older people. They strongly suggest that the percentage of older people unable to provide for their own needs has declined in recent years and further reduction in income deficiencies may be expected to continue in the future.

Older people today want to maintain their own independence, including the freedom to make their own decisions as to how money available to them shall be spent. Presumably older people of tomorrow will have similar desires for individual freedom.

These legitimate preferences, coupled with rising income patterns for older people,

certainly suggest that Federal Government involvement in provision of services related to medical care for senior citizens should remain flexible.

Certainly any compulsory program, unrelated to need, would permanently freeze the Federal Government's role in medical care for individuals. It would involve serious dangers for the existing medical care system now based on maximum exercise of private initiative and individual responsibility.

One of the major programs to prevent hardship cases, of course, is the medical assistance for aged (MAA) program created by the Kerr-Mills Act.

Every effort should be made at both Federal and State level to make the MAA program work. Possibly amendments to the act will be required to clarify and completely implement congressional intent.

Whether one approves or disapproves of the approach envisioned by the Kerr-Mills Act, it is the law of the land. As such, its implementation should receive the full support of Federal officials. The negative tone of the majority statement depreciates this concept and thus tends, in itself, to help create a climate in which many older people may be denied the services intended.

It may be expected that the program will work if given full support.

UNWARRANTED CONCLUSIONS

To conclude, as the majority opinion has, that MAA is not working, will not work, and cannot work is to form a premature judgment based on inadequate evidence.

This prematurity and inadequacy is reflected repeatedly in specific conclusions in the majority views. It is sufficient to cite a few examples from that opinion's introduction and summary.

The majority statement says in part: "Only 28 States and 4 other jurisdictions now have the program in operation."

Actually six other States have enacted legislation necessary to implement MAA. Eleven States, containing 15 percent of the people past 65, have neither enacted legislation nor have it pending. These include Texas, which is awaiting a constitutional referendum necessary before MAA passage and several which have created study commissions to develop program recommendations. They include two States (Indiana and Missouri) where legislation was enacted but vetoed by their respective Governors. They also include Colorado and several other States which reportedly feel existing State programs are adequate. If the concept of State responsibility is to continue to have meaning, it would appear prudent that the right to exercise this judgment at the levels of government closest to the people should be maintained.

The majority opinion further says: "In August of 1963, only 148,000 people received MAA assistance—or less than 1 percent of the Nation's older citizens."

The use of monthly figures, of course, seriously minimizes aid rendered; approximately 370,000 received MAA during fiscal 1962-63. More significant is the fact that not all potentially eligible older people needed the services. In addition, it must be remembered that approximately 12 percent of the over-65 population were eligible for benefits under the old-age assistance program.

The implication that family responsibility and "recovery" programs are improper is highly debatable. It should be noted that, in accordance with the Kerr-Mills prohibition of home liens, no recovery is permitted in any State from the older person or spouse; it can only be applicable to the beneficiary's heirs. Whether this is right or wrong, it would appear appropriate that the decision be made at the State level. The same logic applies to the requirement that families who are financially able should take care of their

own members before State programs are invoked.

The most serious implication in this majority quotation, however, is that "low usage" automatically means "inadequacy." This is based on the highly questionable assumption that there is a vast unmet need for medical care among older people. It is equally and perhaps much more plausible that this "low usage" may be due to the adequacy of other existing mechanisms. In fact, it suggests that coverage by other programs may be exceedingly good.

The MAA record in the Chicago area affords evidence that assumption of adequacy may be the more correct conclusion.

The Bureau of Labor Statistics has developed what some budgetary experts regard as a "liberal budget" for couples and individuals past 65 for 20 major cities. For couples in Chicago (the highest of these 20 cities) it is \$3,112 per year and for individuals living alone, \$1,836 a year. Since the budgets, respectively, include \$160 and \$90 for gifts and contributions and assume rental of living quarters (most older couples and many single persons past 65 own their own homes), it appears reasonable in terms of the BLS budget, which may be high, to assume that \$3,000 and \$1,800 constitute adequate or more-than-adequate incomes.

Under Illinois MAA, individuals who do not have other resources available to them are eligible for benefits if their income is below \$1,800. The maximum income requirement for a couple to be eligible is \$2,400 per year. Apparently Illinois State officials and the legislature felt this was a more accurate determination of adequacy than the BLS budget. Whether the Illinois Legislature took homeownership and other factors into consideration in arriving at this income figure is not clear, but presumably they gave careful consideration to all factors in the situation of the State's older population.

In any event, by whichever standard is used, it would appear that the vast majority of older persons in the Chicago area whose incomes might be termed "inadequate," are eligible for MAA.

The fact that "only" (to use a word oft repeated in the majority views) 5,474 MAA applications were approved and "only" 2,039 were denied, withdrawn or otherwise disposed of in Cook County (of which Chicago is the county seat), during the first 23 months of the program's operation, reinforces the view that the alleged unmet need has often been greatly exaggerated.

Another quote from the majority statement says: "Except for those four States having comprehensive programs (Hawaii, Massachusetts, New York, and North Dakota) benefits are nominal, nonexistent, or inadequate."

Whether a program is "comprehensive," "intermediate," or "minimal" is based on definitions developed by the Bureau of Family Services of the Department of Health, Education, and Welfare with regard to the type of services provided. According to these definitions, which are set forth in the majority report, the administration social security financed proposal would qualify as a "minimal" program, unless one regards services by interns and residents in teaching hospitals and services by anesthesiologists, pathologists, radiologists, and physiatrists in the hospital as fulfilling the qualification regarding "physician services."

The significant fact is, however, that there is no real evidence for jumping to the conclusion that even "minimal" standards according to these definitions can be equated with inadequacy. The type of benefits cannot be isolated from other medical programs in the State. Tennessee, for example, contains no provision for physician services in its MAA program. An agreement by the Tennessee physicians voluntarily entered into and insisted upon by them, however, assures

such services to all hospitalized persons unable to pay. In a similar way all of the States (six) referred to in the majority statement as omitting nursing home care do provide such services when needed through their OAA programs.

Another majority statement quotation says: "Five States, California, New York, Massachusetts, Michigan, and Pennsylvania, for example, received 88 percent of all Federal MAA funds distributed from the start of the program through December 31, 1962, although those five States have only 32 percent of the Nation's elderly people. New York alone, with 10 percent of the Nations elderly, received 42 percent of this total."

The five States referred to have 56 percent of the over-65 population in States with MAA. They are urban, industrial States which tend to greater use of assistance programs. Since they are among the States with the highest total and aged population, highest medical costs, and highest utilization patterns, their share of Federal medical funds will always tend to be greater than their share of the population.

A final example from the majority statement says: "Cumbersome investigations of eligibility, plus the requirement in most States that resources of an older person must be depleted to a point of near dependency, have further reduced participation."

The undocumented charge regarding eligibility investigations, if true, could easily be resolved by adoption of an amendment to the Kerr-Mills Act introduced by Senator DIRKSEN (and previously passed by the Senate, but rejected by the House of Representatives) or a similar change in the basic law.

A simple review of current eligibility requirements in the several States with MAA programs in operation or under development and a relating of such requirements to average per capita incomes and living costs in each will demonstrate the inaccuracy of the charge that "most States" require reduction of MAA beneficiaries to a "state of near dependency."

It should be noted further, with reference to this particular point and the entire majority statement, that careful examination of future developments under MAA, possible, probable, and certain, unfortunately has been given little attention. A number of States have and will have under consideration improvements regarding benefits, eligibility requirements, and other facets of Kerr-Mills operation. Among plans recently approved by State legislatures, but not yet in operation, are some which introduce new concepts.

MAA INNOVATIONS SHOULD BE ENCOURAGED

One innovation is the proposed plan by South Dakota to purchase voluntary health insurance for persons who qualify under the State's MAA program. Although spokesmen for South Dakota discussed this plan with Health, Education, and Welfare Department officials at length prior to adopting the legislation, as of October 10 approval by HEW was not yet forthcoming.

It would appear, however, that it was the intent of the Kerr-Mills Act that States be free to purchase voluntary health insurance for MAA beneficiaries. Encouragement of this type of approach certainly would be appropriate on the part of the Department of Health, Education, and Welfare and all others interested in adequate medical service for older people.

CONCLUSION

In conclusion, it would seem that the majority opinion that—"The evidence available after 3 years of Kerr-Mills operation demonstrates conclusively that the congressional intent has not and will not be realized"—will not stand up under even the most casual review.

The fact that much of the data used in the majority statement is based on a period when many States were getting started and some were engaged in perfecting plans authorized, but yet to be inaugurated, underscores the inconclusiveness of the evidence presented therein.

It bears repeating, further, that the preferred method of most Americans for meeting the major costs of medical care is voluntary health insurance. This is true of both young and old. This preference should be encouraged.

Because availability of adequate income wherever possible constitutes the best way to express such encouragement, the highest priority in Federal Government policies relating to older people should be those aimed at improving income and at preserving the dollar's value so such improvements will have maximum beneficial effect.

EVERETT MCKINLEY DIRKSEN.
BARRY GOLDWATER.
FRANK CARLSON.

SUPPLEMENTAL VIEWS OF SENATOR HIRAM L. FONG

It is gratifying to observe Hawaii's medical assistance for the aged program described as one that provides comprehensive services. It reflects the firm desire of Hawaii's citizens to adequately care for their elders. It would appear that all States could do likewise in keeping with their own unique needs and resources.

The comments in the minority views with reference to the prematurity of any current judgment of the Kerr-Mills Act appear to be well taken. The program is new. Despite the comparative speed with which most States have taken action to effect its purposes, more time and experience with the various programs and their continuing improvements would seem desirable before seriously considering abandonment of the concepts of Federal aid on which present law is based.

It is, nonetheless, fitting that both majority and minority views consider the possibility of some changes in the Kerr-Mills Act.

This coincides with my view that additional legislation is needed. While persisting in the opinion that the proposal jointly sponsored by Senators SALTONSTALL, AIKEN, SCOTT, BOGGS, PROUTY, CORTON, and myself during the last session of Congress contains the most desirable elements for such legislation, it should be recognized that Kerr-Mills Act amendments along such lines might be a satisfactory legislative avenue for their accomplishment.

This plan, based on sharing of cost by Federal and State Governments with the advantages of State administration, gives three choices to all persons over 65 whose annual income for Federal tax purposes is below specified levels. The choices would give beneficiaries an option to choose (1) a diagnostic, preventive, short-term illness plan, (2) a long-term illness plan, or (3) private health insurance.

It is appropriate that the desirability of such an approach be reiterated as a part of this document.

The recurring suggestion in the majority report that social security financing is desirable impels me to comment.

Social security financing of medical care for the aged is grossly unfair. It would put the burden very heavily on wage earners regardless of their income or ability to pay. The \$5,200-a-year clerk would pay as much social security tax as the \$50,000 corporation president.

It would be especially hard on young people, struggling to feed, clothe, house, and educate their children and protect them currently with medical insurance, to be forced to shoulder at the same time the tax for hospital insurance for the aged. Through

all their working years, America's working men and women would be compelled to pay a social security health insurance tax, yet receive none of the benefits for themselves until they reached age 65. Should they die before age 65, they would receive nothing for all their payments.

Social security taxation for aged health insurance is a very regressive tax, hurting most those in the lowest wage brackets. About 50 percent of America's workers earn wages of \$5,000 a year or less.

Under the social security financed insurance plan of the administration, even those of the blind, the handicapped, the domestic workers, and the farmworkers who pay social security taxes would be taxed to pay for health care of the well to do.

Meantime, 40 percent of all taxable income in the United States on which no social security tax is levied would escape any responsibility whatsoever to help in this problem, including the income of 9 million American workers not in the social security system.

In October 1962, the Hawaii Medical Service Association informed me that the medical benefits proposed under the administration's social security plan could be offered in Hawaii for each senior citizen at an estimated \$7.10 per month, or \$85.20 per year.

Under the administration's proposed social security tax plan, an employee earning \$5,200 annually, which is the maximum salary to be taxed, would pay \$27.50 a year more than the tax he now pays under social security. If an employee age 20 would deposit this \$27.50 in an insured savings and loan association each year for 45 years at 4 1/2-percent interest compounded quarterly (this rate is common in Hawaii and west coast States), he would have a nest egg of \$4,093.78 at age 65.

If he continued to invest the \$4,093.78 at 4 1/2-percent interest compounded quarterly, he could pay for an excellent medical care insurance policy with the \$197.94 in interest on his savings each year and get better coverage than the administration's plan would provide. Or, he could buy the benefits of the administration plan for \$85.20 and still have \$112.74 left over.

Most startling of all, after he died, his nest egg of \$4,093.78 would go to his family. Should he die before age 65, say at age 60, his family would inherit his savings of \$3,126.16. Under the administration plan he would build no nest egg. Actually, the administration would have consumed his goose.

As one who voted for the Kerr-Mills law in 1960 and who has cosponsored an excellent voluntary health insurance plan for those aged persons not eligible for Kerr-Mills or old-age assistance, I believe there are better ways than the social security plan of the administration to meet the remaining problem.

All of us want to make sure proper medical care is received by our elderly citizens, those who arrived on this earth before us and to whom we owe so much.

As they reach their sunset years, and as others reach them tomorrow, next year, and in the years to come, their security and dignity are on our conscience.

Now in the twilight of their years, some of our senior citizens are in need of assistance. We must see to it that they enjoy their remaining years in peace and dignity, not as wards of the Federal Government, but as free citizens, able to live their lives in gracious fulfillment. As the administration plan is woefully inadequate, Congress should continue to explore better ways to meet the need.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Now that we are at that season of the year when there is a

good deal of speculation about the schedule from now on and what one hopes will be the termination of the session, I am sharply reminded of the fact that Friday will be the first of November. If my arithmetic is correct, there will be, all together, about 35 or 36 legislative shopping days before Christmas week.

So I took it upon myself to confer with the majority leader this afternoon with respect to the calendar from here on. I pointed out that there are two election days in November, one in Texas and one in Kentucky, in case Senators have not voted absentee ballot and would want to leave the Senate, and if there were yeas-and-nays votes, they would not be prejudiced by that fact.

It has been customary to have no real business on Veterans Day, the 11th of November. Then comes Thanksgiving, and finally comes that red letter day on the calendar—Christmas.

We have discussed the subject at some length, and I now ask the majority leader whether he has in mind at least a tentative schedule for the guidance and benefit of Senators and the country, and also for our friends in the press gallery.

Mr. MANSFIELD. I assume that the distinguished minority leader has had the same pressure directed against him that has been directed against me.

Mr. DIRKSEN. Precisely.

Mr. MANSFIELD. It is anticipated that the Senate will go over from Friday, November 8, to Tuesday, November 12. In that way, Veterans Day will be taken care of.

The Senate will go over from Wednesday, November 27, to Friday, November 29, for either a pro forma meeting on that Friday or for the passing of legislation as to which there is absolutely no question, and from Friday, November 29, to Tuesday, December 3.

Mr. DIRKSEN. That would take care of Thanksgiving Day, which falls on Thursday, November 28.

Mr. MANSFIELD. That is correct.

Then it is anticipated that the Senate will stand in recess or will operate on a 3-day adjournment basis between Friday, December 20, and Thursday, January 2. The Senate will reconvene at noon on January 2 and will complete the 1st session of the 88th Congress at noon the next day, January 3. If business is still pending, the Senate will adjourn at 12 o'clock noon, as it is required to do, and will convene for the opening of the 2d session of the 88th Congress at 12:01 p.m.

So far as voting in Texas, Kentucky, and elsewhere is concerned, we will do our best to accommodate Senators from those States to the extent that no votes will be taken on those days.

Mr. DIRKSEN. By the way, the election in Kentucky will be on November 5. In Texas, there will be a congressional election and also, I think, local elections on November 9, which falls on a Saturday.

Mr. MANSFIELD. The program I have outlined will accommodate that situation.

Mr. DIRKSEN. The program the majority leader has outlined would provide a respite from December 20 to January 2, which would be, I expect, 13 days, and

would constitute the vacation, I take it, for the 1st session of the 88th Congress, in which to receive Santa Claus.

Mr. MANSFIELD. The distinguished minority leader and I are not playing Santa Claus but are facing up to the practicalities of a situation which we know will develop. But this is as nice a way as any to tell Senators that we anticipate we shall be in session until the legal time limitation for the 1st session of the 88th Congress, and that outside of the days which have been announced this afternoon, they can expect no respite. I think this is a sufficient warning to them to wear the right kind of underwear and to prepare for the right kind of winter—a cold one.

Mr. DIRKSEN. I am glad the distinguished majority leader has left intact my supernal powers as a forecaster, because I have insisted repeatedly, during the last few months, that Senators should provide themselves with Christmas trees for Washington. Obviously, it is quite decorous and in order and, further, proper to set up Christmas trees as early as December 20, when the Christmas recess will begin. For that, I am deeply grateful.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I was confused by one of the theses of the Senator from Alaska [Mr. GRUENING]. He stated, as I gathered, that the President has, in some sense, usurped the right of the Senate to conduct our foreign policy, as was intended, the Senator says, by the Founding Fathers. Yet in the latter part of his speech he seemed to suggest that the Senate should follow the House of Representatives in all of its recommendations, rather than the Senate Committee on Foreign Relations. I do not know whether he means to oust both the Senate committee and the President from determining these matters or not; but I am sure that is not what the Senator intended.

Mr. GRUENING. Mr. President, will the Senator yield, so that I may clarify my intention?

Mr. FULBRIGHT. I yield.

Mr. GRUENING. I tried to make two points. One was that since the advent of large sums of money as an instrument of foreign policy, which did not exist prior to the Marshall plan, Congress should assume a more active position in shaping foreign policy and not feel that, as traditionally, foreign policy should be left almost entirely to the White House. That was one point.

The other point was that I felt the House had done in effect what the Senate Foreign Relations Committee did not recommend specifically, but whose strictures and criticisms of foreign aid in its report on the bill should have led it to do. In other words, I felt that the committee report made some excellent criticisms

and recommendations for improvements, but did not implement those criticisms and recommendations by saying, "Consequently, to correct these shortcomings, such and such sums can be eliminated." On the other hand, the House did not present the fine arguments the Senate committee did; nevertheless, the House acted as I feel the Senate committee should have acted.

Mr. FULBRIGHT. In its usual far-seeing way, the House used a meat ax on the amount.

Mr. GRUENING. That is correct. It should not have used a meat ax. The Senate Committee on Foreign Relations was prepared to wield a scalpel, and detailed how it should be wielded but never actually inserted it in the flesh.

Mr. FULBRIGHT. As I have said, the fate of the bill has not yet been determined. Much yet remains to be done by both the Senate and the committee of conference. So I do not think we can say that there will not be any improvements, even along the line he discerns.

Be that as it may, I appreciate the kind remarks the Senator made as to the substantive provisions of the bill. I believe there is some distinction between policymaking as a broad policy as distinguished from the administration of a program such as this. Apparently some members of the committee—I do not say this with regard to the Senator from Alaska—believe they can administer this program better than the administration itself can do it. They well might do that. However, I think that would lead to confusion, too.

Really, I believe the principal criticism by members of the committee was of the administration of the program rather than of the broad policy of what it seeks to accomplish and what its objectives are, which I feel is the primary responsibility of the committee and of the Senate itself.

Mr. GRUENING. I think those criticisms could have been interpreted as a directive to the administration to make such changes as would conform to those very valid criticisms.

I think possibly the inclusion of one sentence to that effect might have eliminated all question I had as to the difference between the committee's action and the committee's word. In other words, if, after making these criticisms, the Foreign Relations Committee had seen fit to say, "We urge the administration to make appropriate cuts in line with these criticisms," that would have been appropriate and logical. In short, I think it would have been very useful if the action taken by the committee had been somewhat more specific. However, I emphasize that if these recommendations are carried out, I think that will be very helpful, indeed.

Mr. FULBRIGHT. I thank the Senator from Alaska.

Mr. President, I ask unanimous consent to have printed at this point in the Record a letter from Mrs. Robert J. Phillips, president of the League of Women Voters, in which she discusses this program.

There being no objection, the letter was ordered to be printed in the Record, as follows:

LEAGUE OF WOMEN VOTERS OF THE UNITED STATES,

Washington, D.C., September 12, 1963.

Hon. J. W. FULBRIGHT,
Senate Office Building,
Washington, D.C.

DEAR SENATOR FULBRIGHT: League of Women Voters testimony in support of foreign economic aid was presented to the Senate Foreign Relations Committee in June, but we would like to add a few words now in view of the present plight of the Foreign Assistance Act of 1963. League members have been following the various steps of congressional action during the summer. They regretted the cuts proposed by the House Foreign Affairs Committee and then were shocked by the further slashes made by the House as a whole on August 23.

Writing on behalf of league members all over the country, I urge that you, as a member of the Senate Foreign Relations Committee, consider very seriously restoring adequate authorizations for funds. The House cuts concerned several categories of aid, but we are especially worried about the \$160 million cut in the Development Loan Fund and the \$150 million cut in Alliance for Progress. These are basic economic development programs with prior authorizations that should have been respected. We were, and are, convinced that the administration requests were suitable and necessary for development lending to countries able and ready to utilize such loans, and for carrying out our Latin American commitments.

We understand that your committee has already tentatively cut from the foreign aid requests some \$300 million more than the House Foreign Affairs Committee. We especially deplored the cut in the Alliance for Progress social progress trust fund, from \$200 to \$175 million. We urge you now to review your recommendations and to submit the most favorable report on which you can reach agreement. Only thus will the eventual compromise in conference have a chance of being somewhere between administration requests and the inadequate, House approved authorizations.

Opportunity to save the foreign aid program from grave damage now rests with the Senate—more immediately with the Senate Foreign Relations Committee. We find it hard to understand why the passage of a sound foreign aid bill should be such a struggle—why reluctant and halfhearted approaches should be made to programs that have so greatly served the security and cohesiveness of the free world. We hope your committee will reaffirm the objectives of foreign economic aid and recommend authorizations for stronger, not weaker, implementation of those objectives.

Sincerely yours,

Mrs. ROBERT J. PHILLIPS,
President.

FRANCE AND THE WESTERN ALLIANCE

Mr. FULBRIGHT. Mr. President, at this time I wish to discuss a subject not directly related to the pending bill. I understand that Senators who wished to discuss the foreign-aid bill today have now concluded their remarks.

Mr. President, one of the most heartening developments it has been my good fortune to witness was a speech by Chancellor Erhard, of the West German Republic, on Sunday; and at this time I

wish to make comments on the attitude of the French toward the Western Alliance.

In his press conference of July 29, President de Gaulle made certain general statements which France's friends and allies can heartily endorse. The General also made certain observations, both general and specific, which are disappointing and perplexing to France's NATO partners. There is a tone of recrimination in General de Gaulle's remarks, of doubt and mistrust as to the motives and objectives of American policy. It is this mistrust that disturbs France's partners and weakens the Atlantic Alliance. It is important, therefore, that the suspicions that now divide us be discussed and debated in all their particulars, with a view toward restoring trust and confidence in the Western Alliance.

I think the remarks of Chancellor Erhard on Sunday did a great deal in this particular, in regard to Germany's part in the Western Alliance.

In his statement of July, President de Gaulle set forth certain basic principles that comport entirely with the views of the United States that "the fundamental factors of French-American relations are friendship and alliance"; that this friendship is "an outstanding psychological reality in keeping with the nature of the two countries"; that the Atlantic Alliance is an "elemental necessity" and that within it France and the United States have a "capital responsibility."

These broad principles are as valid in content as they are eloquent in expression. President de Gaulle is also correct in warning us against "depicting each scratch as an incurable wound." At the same time, I think it appropriate for us to remind France and the other countries of Western Europe that a viable alliance depends on common policies as well as common objectives, on cooperation in fact as well as agreement in principle. If the Western Alliance is to remain strong and united, it must be built on more than bonds of friendship and high regard. It requires working agreements for political consultation and the command and disposition of military forces, for economic cooperation and the lowering of trade barriers.

It is on this level of practical cooperation that French policy has been deeply disappointing to France's allies. It is a policy which, if long continued, could lead to the disruption of the Western Alliance, not by open repudiation but by abnegation in detail.

In a meeting at Harvard University last spring, a distinguished young professor of politics told me that I had made what he called a "useful and necessary" effort to understand what is going on in the Soviet Union and he urged me to make a similar effort with regard to France. I believe this suggestion was entirely appropriate. It is certainly important for Americans to make an effort to understand the political, military, and historical motivations of current French policy. It is no less important for France to make a commensurate effort with regard to the problems and objectives of American policy.

A meaningful dialog between France and the United States must begin with an examination of the profound impact on both countries of the events of the last 25 years.

France, as President de Gaulle pointed out on July 29, was "materially and morally destroyed by the collapse of 1940" and by the discreditable Vichy interlude. Following the liberation, France was beset by political and economic weaknesses at home and by the long and fruitless struggles in Indo-China and Algeria. All this time France was forced into a relationship of military and economic dependence on the United States, a deeply humiliating experience for a great and proud nation. Since General de Gaulle's return to power in 1958, France, with astonishing speed, has recovered her political stability, ended the colonial wars, and returned to vibrant economic health.

As a result of this great resurgence, France has ended her economic dependency on the United States and reasserted herself with vigor and confidence as one of the great nations of Europe. These developments are as welcome to the United States as they are to France, but the memory of defeat and dependency remains and one perceives in current French policy an excess of pride and assertiveness that is entirely natural for a great nation which was struck down and has only recently recovered its dignity and strength. It is natural for France to be acutely sensitive and proud at this juncture in her history, and it is even natural for her to feel resentment toward those who liberated her and then sustained her through the years of weakness.

It is natural but it does not represent an accurate interpretation of the events of the last 20 years. The United States did not wish to become the protector and benefactor of Europe after World War II. Still less did it wish to dominate Europe. Through the Marshall plan and subsequent programs of military and economic support, America came to Europe's assistance for the simple but compelling reason that Europe was momentarily incapable of sustaining itself and its recovery was vital to the interests of the United States. America's postwar policy toward Europe was by no means an exercise in pure altruism but neither was it an effort to dominate Europe. It was a policy of enlightened mutual interest and its success has brought signal benefits to both Europe and America.

These elemental facts provide the basis for an accurate assessment of the motives and objectives of American policy. I do not believe that President de Gaulle is disposed at present to take such a dispassionate view of American policy. One perceives in his remarks of July 29 that he is still looking at America through the distorting prism of wounded pride.

This attitude is reflected in the general's comments on economic and trade relations and on the American balance-of-payments problem. He acknowledges that the United States is carrying a heavy burden of military and economic assistance to many countries and that the balance-of-payments and dollar

problems of the United States have become essential concerns. One might have hoped that President de Gaulle would regard these problems as essential concerns of the entire Alliance, which America's partners would wish to help alleviate. Instead, the general reasserted his hopes for a closed European economy.

France—

He said—

cannot and does not wish to see the nascent economy of Europe and itself dissolved in a system of a type of Atlantic community which would only be a new form of that famous integration.

Lest there be any doubt about his intentions with regard to trade, the General refers in his statement to "the storms which will not fail to come up" on the occasion of the "Kennedy round" of tariff negotiations scheduled for next spring.

General de Gaulle points with justifiable pride to the restoration of France's currency, finances, and trade, without in any way suggesting that France might wish to make a greater contribution to the defense and security of the Western Alliance. Not only has France recovered its economic independence but, in the General's words:

It finds itself receiving requests from many sides, and so, far from borrowing from others, particularly from the Americans, it is paying back its debts to them and even on occasion is granting them certain facilities.

If we wish to reply to President de Gaulle in a spirit as generous as his own, we might remind him of France's total unpaid debt to the United States of \$6,340,164,589.32 deriving from World War I loans, of which \$4,317,161,803.19 in principal and interest was due and unpaid as of June 30, 1963. The payment of this debt, on which France has been in default since June 1933, would unquestionably alleviate the American balance-of-payments deficits which the General concedes is an "essential concern."

The United States has not demanded payment of the World War I debts of France and other European countries. We have not demanded payment of these debts because we recognize, as we did not 30 years ago, that the war of 1914 was our war as well as France's, and that now, as then, the defense of the West must be a unified and cooperative endeavor in which each partner contributes in proportion to its resources. Our acceptance of the common obligations of the Western partnership was demonstrated with wisdom and success in the Marshall plan, which provided substantial grants for which repayment was neither required nor expected.

I emphasize the point that under the Marshall plan more than half of the amount which was given to France was in outright grants, for which France never undertook any obligation to repay. Incidentally, they received the largest amount, I believe, of any single country in continental Europe in the form of both grants and loans. However, the debt to which I referred that occurred

during and after World War I was an obligation which they did assume and which they have never discharged.

This spirit of common interest and common obligation is strikingly lacking in current French policy. Like America in the inter-war period, France seems to believe that it has the option to participate or abstain from the projects of the alliance as it may suit France's peculiar preferences or ambitions. Just as America in the twenties demanded payment of the Allied war debts and then made payment impossible by high tariff barriers which prevented Europe from earning the dollars with which to pay, France now expresses sympathy and concern for the heavy financial burdens of the United States and proceeds to aggravate these burdens by seeking to exclude American goods from a closed European market.

Should France decide before next spring to join with her Atlantic partners in a general liberalization of trade, the way will be open to generate new levels of prosperity and accelerated economic growth in both Europe and America. Instead of the current tendency toward trade restrictions on one side followed by retaliation on the other, we can enter a new cooperative relationship, one which will alleviate the strains that now divide us and greatly strengthen the economic base of the Western partnership. As an initial step in this direction, one which would be as valuable in symbol as in substance, I think it would be highly desirable for the Common Market to rescind its recently elevated tariffs on American poultry and for the United States in reciprocity to rescind its tariff increases of March 1962 on European carpets and glass. To take these measures in the near future would constitute a vigorous reassertion of the spirit of the American Trade Expansion Act and of article 110 of the Treaty of Rome and would thereby create a new and promising atmosphere for the "Kennedy round" tariff negotiations next year.

Another theme of President de Gaulle's press conference of July 29 that is disappointing to France's partners is his reassertion of the view that America cannot be counted upon to meet its obligations in the defense of Europe. Because of the loss of the American nuclear monopoly and the acquisition by the Soviet Union of the power to devastate the American continent, the United States, in General de Gaulle's view, "is seeing its own survival as the principal objective in a possible conflict and is not considering the time, degree, terms, and conditions of its nuclear intervention for the defense of other regions, particularly Europe, except in relation to this natural and primary necessity." This assumption is the foundation of the General's conviction that France must build an independent nuclear arsenal. The alliance must be modified, he says, because, as he puts it, it "has been built on the basis of integration, which is no longer valid for us."

The assumption that the United States might stand aside while Europe is devastated and overrun is patently unfounded. In both word and deed, the United States

has committed itself unalterably to the defense of Europe—by its adherence to the NATO treaty, by innumerable declarations and reassurances, and by the presence in the heart of Europe of 400,000 American troops. I do not know what further assurances would be required to persuade General de Gaulle that we intend to honor our obligations.

But even if these commitments are set aside, it is inconceivable from a strategic point of view that the United States would stand aside—or that the Soviet Union would permit it to stand aside—while Western Europe was overrun. A third world war could not possibly follow the pattern of 1914 and 1939 in which France was attacked while the United States remained temporarily unscathed behind its ocean barriers. As Paul-Henri Spaak has recently pointed out:

It is inconceivable that the United States would allow Communist forces to overrun all of Europe when obviously this would be only a first step toward the next goal—that of knocking out the United States itself. (Paul-Henri Spaak, "Hold Fast," *Foreign Affairs*, July 1963, p. 618.)

Nor is it possible to imagine that the Russians would take the incredible risk of leaving the United States out of the conflict with its forces intact and able to intervene whenever it chose.

If anything at all can be regarded as certain about a possible nuclear war, it is that the outcome of such a conflict would be determined not in Western Europe but in the two great centers of nuclear power, in Russia and the United States.

We are dealing here in possibilities not certainties, but so is General de Gaulle. His strategic concept, as I see it, is one of preparing for the least likely contingency, that of a Communist attack on Western Europe from which the United States would be permitted and would choose to stand aside. It seems far more likely, if there is any rationality in Soviet strategic doctrine, that the reverse situation might occur, an assault on the United States from which Europe would be spared.

The overwhelming probability is that neither Europe nor America would be spared devastation in a nuclear war. In the two World Wars, the Western nations paid a grievous price for the illusion held by some of them that security could be found in isolation. We Americans have learned the costly lesson of our isolationism. It is our hope that our partners, who suffered far more grievously than we from the disunity of the past, will not be tempted to experiment with disunity again, because its price has become unpayable and few would survive to profit from the lesson.

For these reasons it is essential that Europe, including France, commit itself to a unified defense of the West. Europe can and should make a far greater contribution to the alliance than it is now making. The United States at present is putting 11 percent of its gross national product into defense and foreign aid, while some of its allies are doing less than half as much proportionately. The United States, which has committed itself to a unified defense of the West,

will not of its volition abandon Europe, but this does not mean that it cannot be driven from Europe. If our partners pursue protectionist trade policies and decline to carry a proportion of the military and foreign aid burdens commensurate with their resources, the United States will be left with no choice but to reduce its commitments. General de Gaulle considers American withdrawal from Europe inevitable. It is not inevitable—unless Europe makes it so.

The necessary complement of a greater European contribution to the alliance is a greater European voice in its vital decisions. Europe can and should be brought into the strategic planning processes which govern the use of America's nuclear arsenal. A unified strategic planning system, aimed at the development of a strategic consensus among the allies, can be developed within the existing framework of NATO. The NATO Council, which has not played the significant role envisioned for it by the framers of the treaty in 1949, could now be developed into an allied strategic planning body on the model of the combined Chiefs of Staff of World War II. It could become the allied forum for long-termed political and military planning on the most fundamental questions of war and peace.

As Alastair Buchan, the Director of Britain's Institute for Strategic Studies, recently pointed out:

The beginning of a solution to the problems of command and control of nuclear weapons lies in making the European allies partners in the Washington debate from which emerge policies on arms control, for the defense of Europe and for meeting the worldwide responsibilities of the United States. If the multilateral process is insufficient for all purposes, there are few people in Europe who would not welcome the deliberate cultivation of a "special relationship" between France and the United States. (Alastair Buchan, "Partners and Allies," *Foreign Affairs*, July 1963, p. 657.)

The final theme in President de Gaulle's remarks of July 29 on which I wish to comment is that of France's attitude toward the nuclear test ban treaty. General de Gaulle states that the treaty was negotiated by the Soviets and the "Anglo-Saxons," "in the absence of the Europeans, which clearly goes against the views of France." It hardly needs to be pointed out that the Europeans were absent only because France chose to absent herself.

The test ban treaty, said General de Gaulle on July 29, has "only limited practical importance" in that "it in no way alters the terrible threat that the nuclear weapons of the two rivals bring to bear on the world." In a subsequent statement made in the course of a tour of France in mid-September, General de Gaulle suggested that universal acceptance of the test ban treaty would constitute an agreement that "two privileged states should hold forever the monopoly of power," thereby "delivering the world to a double hegemony."

In his statement of July 29, General de Gaulle expressed the view that the only effective disarmament measures would involve the control or destruction of nuclear launch vehicles.

France—

He said—

intends before the end of the year to invite the states concerned to study with it this essential problem.

Whatever merit there may be in General de Gaulle's views on disarmament—and there may be great merit in them—one recognizes in his manner of expressing them the same wounded pride and aloofness that characterizes his views on so many other matters. This is, of course, disappointing to France's partners, who want her participation in their negotiations and decisions, both within the alliance and in their relations with the Soviet Union. But it is hardly reasonable to expect the members of the alliance to put the major issues of the decade on ice while France completes the process of recovering her full measure of strength and pride—including, perhaps, a sizable nuclear arsenal.

President de Gaulle's initiative in calling for a consultation on the control of nuclear delivery systems is a welcome and constructive proposal. At such time as it is more specifically formulated, it should receive the most serious consideration by France's allies and, hopefully, by the Soviet Union as well.

It is also to be hoped that further initiatives will be forthcoming from Paris—proposals relating to the Western alliance, to Germany and Central Europe, and to the entire spectrum of our relations with the Soviet Union. For too long France's voice has been a voice of negation and dissent within the Western community. The alliance has suffered for lack of the constructive counsel of one of its greatest and most creative members. Only when France has resumed her rightful place in the alliance will its affairs be in order. Only then will we have advanced in the useful and necessary effort toward understanding on which our security and welfare depend.

In a recent speech in The Hague before the Congress of the European Movement, former Secretary of State Dean Acheson, whose vision and diplomatic skill played a preeminent role in the shaping of the postwar unity of the West, warned of "a lethal danger which a revived European nationalism holds for both European and Atlantic unity, and for so elemental a necessity as the common defense." Mr. Acheson's speech contains constructive observations and proposals relating to the need for Western unity in the fields of defense, agriculture, monetary policy, and trade. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE AMERICAN INTEREST IN EUROPEAN UNITY
(An address by the Honorable Dean Acheson at The Hague, the Netherlands, September 18, 1963)

American interest in European unity runs very deep indeed. And it is not the interest of a detached benevolent, albeit interfering friend. The American people have a direct and poignant concern with the affairs and with the quarrels of Europe. Over four centuries they have affected North America as

much, though not always in the same way, as they have affected Europe itself.

AMERICAN COLONIAL INVOLVEMENT IN EUROPEAN AFFAIRS

In the 17th and 18th centuries the colonists on the east central seaboard of North America became more concerned over involvement in European quarrels than they were impressed with the benefits to be derived from European connections. There were plenty of both. In the 17th century, Spain was established in Florida, the Caribbean, Mexico, Central and South America; Britain, in Virginia and New England; the Dutch, from the Hudson to the Potomac; and the French, in the Caribbean, Canada, and later, in Louisiana. As a result, every European war was extended to North America, so much so that they even acquired American names.

The War of the League of Augsburg (1688-97), to us King William's War, brought bitter Indian fighting to New England. The War of the Spanish Succession (1701-13), which we called Queen Anne's War, saw fighting in Canada, Florida, and the country west of the Alleghenies, where France began her effort to gain the West. Europe's War of the Austrian Succession (1743-54), in the American Colonies, King George's War, extended to Canada, New York, Pennsylvania, Ohio, and the Cherokee country; the Seven Years' War (1755-63), to us the French and Indian War, reached Canada, which France lost, and as far west as the Mississippi. Then came our first war with the British, (1775-81), and 30 years later, as a direct result of the Napoleonic wars, our second, the War of 1812.

The history of the United States, as an independent state, was focused on eliminating European sovereignties from the Western Hemisphere. By various means, including purchase, military pressure, and negotiation, it acquired Florida, the vast Louisiana Territory, California, and the Southwest, pushed the northern border further north, parried the French attempt to establish Maximilian in Mexico, and in 1898 eliminated the last Spanish foothold in Latin America.

The conclusions drawn from our early experience were stated by our first President, and became an article of faith in the United States during the century of isolation from the Treaty of Ghent (ending the War of 1812) to our reinvolution during the 20th century in the world upheaval which originated in Europe. This article of faith was that "Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities."

This was wise advice and penetrating analysis at the end of the 18th century when President Washington spoke. For over a hundred years the United States profited greatly by following it.

But in the 20th century "our detached and distant situation," upon which the Farewell Address rested, had disappeared with terrestrial space itself. Our destiny was interwoven and our peace and prosperity entangled in what Washington referred to as "the toils of . . . ambition, rivalry, interest, humor, or caprice" of European nations.

AMERICAN INVOLVEMENT IN TWENTIETH CENTURY EUROPE

Never has the world been so shaken as it was by the wars of this century, which Mr. Desmond Donnelly has called the European Civil War. No corner of the globe was too remote to escape their effect. Changes have been brought about of a magnitude un-

equaled since the collapse of the Roman Empire. The Civil War destroyed the six great empires which, by their concert and balance, gave order and system to human affairs throughout the world—the British, French, German, Austro-Hungarian, Ottoman, and Russian empires; and with them, the only global order and system which has ever existed. This collapse set off the Russian and Chinese revolutions, and brought the United States from isolated absorption in its own and hemispheric affairs to responsibility—at first, almost unaided—for preserving an environment in which free societies could exist and flourish.

It was plain to many among us from the start, and to nearly all after a short time, that the task of preserving and enlarging this environment required the combined and jointly managed efforts of both North America and Western Europe. The task was too great for either to undertake alone. And, should they drift or be driven apart, the problems of both would become unmanageable. No one saw this more clearly than that great British Foreign Secretary, Ernest Bevin.

The initial burden fell upon the United States and was responsibly assumed by the Marshall plan to provide the resources for the economic restoration of Europe; and, by the North Atlantic Treaty, to bind Europe and North America together to provide essential military security for both. By these revolutionary undertakings, American policy in the 20th century departed as drastically from 18th century policy as the realities of the 20th century differed from those of the 18th.

NEW CONCEPTIONS IN EUROPE

From the very start of this new policy the United States, through the rare foresight of General Marshall, fostered a new outlook in Europe, a new attitude toward common European problems. His proposal was that the United States would back financially and economically a jointly devised European plan to meet common European postwar problems. He saw that recovery would be slow and faltering unless broader views and policies prevailed than separate national approaches permitted. Mr. Bevin seized the opportunity. The Paris meeting was convened and a whole new vista of opportunity was opened for Europe.

Brave and adventurous minds in Europe were ready to push through this opening and embark on uncharted seas. Robert Schuman, Konrad Adenauer, Jean Monnet, Alcide De Gasperi, and Paul Henri Spaak—to name a few—were every bit as bold as the navigators of the 15th century; and it is not boastful to say that the Government and people of the United States backed them at least as loyally as the royal champions of the earlier explorers supported them. These men, who charted the course of European unity, steered by a compass which pointed steadily at the joint consideration of concrete common problems to reach solutions in the common interest. They believed that, approached in this way, a unified Europe would be different from and greater than the sum of its parts.

What was also new was the gradual and pragmatic creation of European institutions to perform the function of joint consideration and decision in the common European interest, together with the acceptance of these institutions as authoritative within limits. Beyond determined limits, these institutions are subject to policy guidance from quarters closer to the national sources of power, and the whole interplay of common interests and local interests is subject to the authoritative decisions of the Council of Ministers. With these same processes, Americans have had long experience. With us they have been the useful, indeed essential, instruments for arriving at determination of the common good and the unity of a

half continent as diverse in its population and their interests as Europe itself.

AMERICAN INTEREST IN EUROPEAN UNITY

American support for unity in Europe rests not only upon belief in what this political habit can do for Europe, but, also, on what it is hoped may, under wise leadership, follow from it. The enlargement in Europe of the criteria of judgment and action from purely national considerations to common European considerations, would—it has been believed in America—not only increase the power and prosperity of Europe, but it could also enlarge political purposes and aspirations beyond the old nationalist drive for hegemony in Europe. Twice in this century the United States has been called in to turn back military attempts to achieve national hegemony. For 18 years it has stood guard in Europe to prevent a third attempt. The conception of a united Europe revived and strengthened only to be controlled and directed by a European power for its own national purposes, as an elephant is controlled by a mahout riding on its neck, has no appeal in the United States.

In America, as I believe in Europe, the hope has been that a Europe strengthened by the habit and practice of acting jointly upon its problems, seen as common problems, would raise its vision still further to conceive itself as part of a still larger whole. Within this larger field of vision, problems presented to Europe and to North America, would, by reason of the same habit and practice, be dealt with as common problems requiring joint action to reach solutions in the common interest.

REACTION IN EUROPE TO NATIONAL ATTITUDES

This has been the hope and the goal toward which leaders in both Europe and North America have been working for over a decade. It would have been contrary to all experience to have expected this habit of enlarged vision and this practice of joint action to have proceeded smoothly and without a hitch, both within Europe and between Europe and North America. Unfortunately, more than a hitch has developed. Rather, voices have been raised in Europe repudiating the whole broader conception and approach as well as the institutional methods which have been designed for deciding and taking joint action in the common interest. The words used in this siren song are new words, but the music is the same music of national ambition, rivalry, interest, humor, and caprice which President Washington thought to be the very essence of European controversies. This is deeply disturbing to us in the United States not only because wherever we look progress in joint action seems to have been checked, but because we see in this incipient counterrevolution of policy an attack upon the movement toward unity within Europe, an undermining of the alliance between Europe and America, and the eclipse of that environment in which free societies may live and flourish, so heavily dependent is it on the joint thought and action of Europe and North America.

But some say that this is an exaggerated view of the current revival of nationalism in Europe. Some within the European movement itself, see it as a natural result of phenomenal economic recovery, as Europe's new sense of identity seeking manifestations of great power status, the ability and power to conduct its own strategy.

What this view reveals and what it conceals pretty well epitomizes the dangers inherent in it. The heart of the matter is that both Europe and North America, separately, are denied the freedom to conduct their own strategy. That is why we have both chosen to combine our resources in an alliance and seek joint action. The view just referred to would destroy what is essential to attain either European unity or Atlantic unity—

that is, the ability to see problems as common problems requiring joint action in the common interest. Its focus is not upon common interests, but upon status symbols.

THE NEED FOR UNITY IN DEFENSE

Fascination with status symbols has already headed both the European movement and the alliance into certain trouble in the military field. Over the past decade, thought about the defense of the European NATO area has been absorbed into, and frustrated by, almost total preoccupation with nuclear weapons—their ownership and control, their deployment, their utilization, whose fingers shall be on the trigger and whose upon the safety catch. For years I have insisted that the U.S. Government bears a heavy load of responsibility for fostering this state of mind in Europe. But we are concerned here not with apportioning blame for mistakes, but with finding the right path once again and right methods for staying on it. The mistakes have come from claiming or pursuing separate positions, separate policies; the right path is to see that the problems of defense are common problems and to seek jointly a common defense strategy and defense force.

Before anyone can think intelligently about the use of nuclear weapons in defense, one must have a strategy of defense in which all defenders and all weapons play their essential roles. The narrow approach of national separatism carries with it the seeds of disaster. This is no time to discuss the complex question of the use and control of nuclear weapons. But no one should labor under the illusion that to advocate separate French and British nuclear capabilities in order that they may conduct their own strategies and, at the same time, assume subsilence, that Germany will continue, or be forced to continue, her self-denial of nuclear weapons, does not fly in the face of both experience and commonsense. Such a course is far more likely to prejudice, perhaps beyond repair, both the unity of Europe and an effective defense of Europe.

Into the muck of this confusion a shaft of commonsense has been thrown, and it will not surprise you to know that this has been done by a Dutchman. His proposal is that, before trying to agree on an answer, we try to agree upon the problem. In this time of vast and often, romantic ideas, the simple wisdom of the suggestion is almost overpowering. In the Hague it is presumptuous for a visitor to praise Mr. Dirk Stikker, though the temptation to one who has been his colleague, friend, and admirer for a decade and a half is great, indeed. But one must say, what is relevant to our purpose here, that Mr. Stikker has been in the forefront of those outstanding Europeans who have created the new European attitude toward the problems of our time which promises to change the course of history. What he has proposed is a joint operation to study the three essentials of European defense, which are to devise a comprehensive strategic plan based upon political objectives and covering the use of all forces and weapons, to determine the size, composition, and deployment of the military establishment required for the defense of Europe, and to ascertain the resources available to provide and sustain this defense. For over a decade these triune requirements have been largely treated as isolated one from the other with resulting hit or miss integration of all the essential factors. The Stikker proposal would allow a joint decision as to what forces and weapons are necessary, who can and should provide what, and how the whole force with its various weapons can be directed, controlled, and commanded to carry out a joint policy and strategy.

For a long time NATO had no other choice than to do the best it could with what forces the European allies could muster, strength-

ened by American divisions, and rely principally upon the deterrent effect of American nuclear weapons. With the economic recovery of Europe something better than this is possible—and obviously necessary. Mr. Stikker proposes that together we find out what it is and set about providing it, and that to do this we use the instrument we have jointly provided for that purpose, NATO. This is the method of those whom we may call the "new men." But it is objected to. "This organization (NATO) was built on the basis of integration, which is no longer of any value for us," said General de Gaulle in his press conference of July 29, 1963. By this view, the joint staff of NATO can play no part in the solution of the common problems of the defense of Europe, because it cannot be allowed to inquire into the separate capabilities and potentialities of NATO's members. To state this attitude is to reveal starkly the lethal danger which revived European nationalism holds for both European and Atlantic unity, and for so elemental a necessity as the common defense, which rests upon both of these unities.

COMMUNITY OF INTEREST IN ECONOMIC AND FINANCIAL AFFAIRS

Today's economic and financial problems call for the same understanding of common interests and joint solutions. President Kennedy spoke of this at Frankfurt in June, quoting Thucydides. How contemporary Thucydides is. No publicist comes closer to the heart of our troubles than this sentence from the President's quotation: "each [ally] presses its own ends . . . which generally results in no action at all . . . each supposes that no harm will come of his own neglect, that it is the business of another to do this or that—and so, as each separately entertains the same illusion, the common cause imperceptibly decays."

In economic and monetary matters not only should the approach be joint, but it should be a joint approach by statesmen understanding the political ends to be achieved. Nowhere can greater damage be done by surrendering the field to experts, overburdened by their vast knowledge of detail and of the difficulties which it presents to them. When in April, 1949, Mr. Bevin, Mr. Schuman, and I met to plan the transformation of the occupation of Western Germany into the Federal Republic, we were confronted with the papers of men who had made an expertise out of the complexities of the occupation. Not only were these papers interminable and incomprehensible, but we found no path through their labyrinthine detail. We sent them back with instructions to redraft on the basis of a short memorandum of our aims. But, as these threatened to repeal the experts' knowledge and abolish their functions, in the end the nonexperts had to do it.

THE NEED FOR JOINT GOVERNMENTAL ACTION IN THE MONETARY FIELD

The West will not be cured of its monetary instability by the homeopathic treatment of treasuries and central bankers. The problem requires discussion between governments, and in more audible tones than the sickroom whispers which financial experts deem necessary to preserve confidence in this or that currency. In these discussions it is essential that statesmen direct and experts devise. We are not in the grip of inexorable economic forces which like the gods of savages can only be appeased by the sacrifice of what we hold most precious. We must not let the experts be the priests who choose the sacrifices. "The great free nations of the world," said President Kennedy, "must take control of our monetary problems if those problems are not to take control of us."

The monetary problem does not consist of nor does it stem from the deficit in the balance of payments of the United States. Eco-

conomic trends now in movement will of themselves probably correct this imbalance. If not, adjustment in a number, or all, of the items contributing to the deficit could, at least theoretically, correct and reverse the net flow of funds. The problem lies not in how or when to adjust, but in the fact that no matter how or when it is done—even by economic forces now in operation by no will of the United States—the result will, under the present arrangements of settling international payments, gravely and adversely affect European nations as well as the continuation of American policies, which have been and will continue to be, largely responsible for the growth of western economies and trade and the security of the free world.

This is not the time nor occasion for a monetary discussion, nor am I competent to lead it; but the basic situation is not so obscure as the jargon used to describe it would lead us to believe. For a number of years foreign nations have been accumulating dollar claims upon the United States (by not spending all the dollars that came to them), and have been holding these accumulated dollars with gold and some sterling in their monetary reserves. This was done because there was not, is not, and will not be sufficient gold for the needs of all, and dollars have been as acceptable to creditors as gold, since they are convertible into gold. Of course, the accumulation would cease if by reason of its amount or otherwise this expectation of convertibility came into doubt. So it cannot continue indefinitely.

But it does not follow from this that the interests of the United States or of other countries would be served by reducing the accumulation of dollars held abroad. Indeed, any marked reversal of the U.S. balance-of-payments position toward a period of surpluses would begin a drain on Western European reserves and, to check this, a series of moves in Europe to restrict imports, foreign lending, etc., with resulting serious decline in European economic growth. These measures would not only be harmful to both Europe and America but they would also defeat the attainment of surplus in the U.S. balance of payments.

The theoretical ideal, an exact balance in U.S. payments to and receipts from the rest of the world would, under the present arrangements, be only a little less undesirable than continued deficits or the inauguration of surpluses. World reserves would not expand with the economic need for them to maintain growth, and policies of the United States and Europe, essential for security and development throughout the free world, would be restricted.

The fact is that so fast has development and trade expanded in the free world as a result of the beneficent policies followed since the war, including those inaugurated at Bretton Woods, that the international monetary arrangements devised there are already outmoded for the great industrial nations. The problems presented by this new period of unprecedented and unforeseen growth are not primarily economic, financial, or technical. They are political in the highest sense, involving—as they do—an understanding of the highest priority objectives of a new international community, whose necessities transcend national interests, and the readjustment of the methods, arrangements and institutions for settling international payments to permit attainment of the highest common objectives. This is a field for intergovernmental agreement.

The governments participating in the so-called Group of Ten, which inaugurated the recent helpful enlargement of the resources of the International Monetary Fund, are obviously the ones to open discussion of this common problem. It is largely their problem. Other nations are affected as the industrial nations succeed or fail in solving their problem. There is no lack of proposals for deal-

ing with it. The task lies not so much in choosing the method as in inciting many wills and fusing them into one seized of a joint purpose.

THE LOOMING AGRICULTURAL IMPASSE

The same need to escape the tyranny of experts and find guidance in broader views exists in commercial policy. Two millennia ago the augurs sought to divine the course of human affairs from chickens; and the cackling of geese is said to have saved Rome. Now, again, we turn to fowl to read the portents. Is the row over the Common Market's poultry tariff the cackling which warns us that we must take counsel together in our common interest? Or should we read in the entrails of these martyred broilers a foretoken of a united Europe seeking economic autarchy at home at the expense of anarchy abroad? "It is not worth talking of the European Community," said General de Gaulle in July, "if it must be understood that Europe does not obtain its food essentially thanks to its own agricultural products, which can be largely sufficient."

Perhaps; but if the viewpoint of a united Europe is to be only that of inflated but parochial nationalism, Europeans will be untrue to the basic principle which can unite, and has already done much to unite, Europe and can then go on to unite Europe and North America in the service of the free world. This is the principle of solving common problems by joint study and action in the common interest. Another Frenchman has seen the problems which agriculture presents today in the light of this principle. M. Jean Monnet, speaking in New York, saw as one of the four problems requiring joint European-American solution, the problems of agriculture in an increasingly industrial world.

The impact of scientific agriculture and land management upon most of Europe has come later than in the United States, but will be no less revolutionary when the full effect is felt. The same will be true in progressive stages throughout the world. Every year less land and less people could supply the commercial markets for agricultural products at low prices. This technological trend runs counter to the heavy social and political pressures upon Western governments to maintain larger numbers on the land than economic necessity requires, and to do this by artificially raised agricultural prices, often with resultant overproduction. The problem is further complicated by the one-crop agricultural countries which also tend to oversupply world markets, and by those deficiency countries who cannot earn the foreign exchange to buy foods and fibers at reasonable market prices.

To expound the agricultural problem in the Netherlands, of all countries, is the grossest presumption. Not only have your people been agricultural pioneers for centuries, but your distinguished Prime Minister is a world authority on the subject. So I jump to my conclusion, confident that he would not dissent. The world agricultural situation today presents not an economic, or commercial, or technical problem. It presents political and social problems of the greatest importance and complexity, calling for statesmanship based upon a deep sense of responsibility for the worldwide ramifications of all that is done. If the great nations which are exporters or importers of agricultural products, or both, attempt to export their difficulties, as we all attempted to export the depression in the 1920's and 1930's, we shall bring disaster upon all of us.

Agriculture not only presents a common and difficult problem, but it carries a built-in impediment to its solution. Here, again, the experts have a vested interest in the complexities of the problem. Moreover, their views are even further narrowed by their respective responsibilities as the representa-

tives of special national agricultural interests. These interests insist—and insist vociferously—that the problem is not a common one, requiring a joint solution, but as Thucydides pointed out, each presses its own end, which results in no action at all.

In this situation, ministers of agriculture and their very knowledgeable staffs do not, and cannot be expected to, take the broader view which is essential to break through the cycle of cheaper and expanded production by technological advance producing protective tariff or quota action against the cheapened product, which produces retaliatory action, which produces counterretaliatory action, which reduces trade, which reduces economic growth, and so on.

So governments and peoples are faced with not only a most difficult problem but also with the handicap that those who know most about the problem have the least freedom of mind and action in solving it for the common good. In this situation it would seem sensible to turn to freer, though less technically qualified, minds capable of penetrating the mist of special circumstance to the common interest and joining in the search for steps toward a solution to further it. Since in every country agricultural questions are highly charged politically, governments cannot initially agree to more than advisory recommendations by men held in high esteem. The number should be small, so that they may work closely together. Nationality is of little importance compared with breadth of vision, understanding of economic and political forces, ability to use technical help without being overpowered by it—men of the quality, though unhappily there are few of them, of M. Jean Monnet, Mr. Gunnar Myrdal, Sr. Alberto Lleras-Camargo, and Lord Franks.

In this way proposals could be laid before governments and people in Europe and America which they could not otherwise obtain, proposals by which divergent social and political interests could, over time, be adjusted to the inevitable technological and scientific trends in the common interest of all. To determine upon these consultants should not be difficult. Since the acceptability of their recommendations to the public outside the scope of vested interests would depend on the recognized eminence of the authors and the wisdom of their conclusions, no advantage could be gained by maneuver in their selection. Obviously the Commission of the European Community would know those most qualified in Europe. If the Commission would consult with some of our great universities or foundations, it could easily add distinguished men from outside Europe and complete the panel. Funds would be no problem, and the consultants should be free to choose and organize their own staff.

A most important consideration would be to start the consultants to work as soon as possible. At present agricultural problems lie athwart progress in both the European Community and the discussions between the Community and the United States. A little delay in both would be a small price to pay for the injection of broad political and social vision into the present impasse between contending agricultural interests.

IMPEDIMENTS TO JOINT ACTION IN COMMERCIAL POLICY

Apart from agriculture, these same impediments—the lack of the broad view of the common interest and the paralyzing control of experts—cast an ominous shadow over the impending round of negotiations to be held under the auspices of the General Agreement on Tariffs and Trade. Nowhere do we see dynamic leaders emerging, fired by the broad, common purposes which we all profess, but rather a host of faceless governmental technicians with the text book of GATT regulations in one hand and a sheaf

of secret and mutually stultifying instructions in the other. One fears that the people in all countries eager for progress will be left "as on a darkling plain, swept with confused alarms of struggle and flight, where ignorant armies clash by night."

The goals which we all profess, and which have the additional merit of being sound, are those which inspired Mr. Cordell Hull 30 years ago to attempt to break through the circle of trade restrictions which had been the cause or effect, or both, of the great depression. In 1934 he inaugurated the trade agreements policy, pursued by the United States ever since with a pertinacity furnishing some qualification of Alexis de Tocqueville's observation that a "democracy can only with great difficulty . . . persevere in a fixed design."

On the principle that one can reveal a state secret without betraying it—for, as Montaigne observed, "I should not speak so boldly if it were my due to be believed"—I can tell you that one of the principal purposes of the trade agreements program over 30 years has been to reduce the American tariff. We have benefited greatly from success in that endeavor. Mr. Hull, with the shrewd insight into human nature of his mountain background, was aware that the best way to lead fellow citizens was through the method of a bargain. There was as Lord Melbourne observed in another connection, no nonsense about merit connected with that. The nation which emerges from the coming round of negotiations having skillfully limited its tariff concessions will not be the gainer but the loser. The round offers a rare opportunity to both the community and the United States to dispose of self-imposed handicaps upon economic growth.

Intellectually we know that this is true. We profess that our private enterprise societies need the benefits of competition, domestic and foreign, to provide a stimulus to our business managers and a mainspring to rapid economic growth. We declare that democratically controlled governments should seek to benefit the major interest of the great majority of their people—i.e., their interest as consumers—by making available a great variety of goods at the lowest possible prices. We profess also a concern and responsibility to make possible within the free world the economic development of peoples emerging from the production of only primary products. This means opening opportunities for them in the expanding trade of the great industrial nations. The late lamented Managing Director of the International Monetary Fund, Mr. Per Jacobsson, believed that here lay the greatest opportunity for help by the developed to the newly developing countries.

But how and from what source can instructions consistent with the attainment of these broad goals come to the negotiators at Geneva? With due deference and respect, I suggest that this is a problem primarily for Europeans. Those negotiating with the European Community have, in addition to the normal problems inherent in the subject matter, the task of guessing where the authority to make decisions rests. With whom are they negotiating? Sometimes the suspicion arises, with nobody. The situation is often reminiscent of dealing with the Soviet Union. Positions laboriously developed among the Six and the Community executive are presented to other nations on a take-it-or-leave-it basis, because of internal inflexibility.

With the difficulties of the pre-Federal period in which the European Community now finds itself the United States can sympathize, because our people had their own experience. It would seem possible out of that and subsequent experience to improvise in Europe a method and procedure for the coming negotiations. Would it not be pos-

sible for the national governments, through the Council of Ministers, to lay down the principles, standards and guidelines for the conduct of the negotiations, fixing on the Community executive, as the Treaty of Rome itself implies, the authority to conduct the negotiations and to make all necessary decisions arising during their course, the ultimate decision whether the executive had acted within the scope of its authority, and if not to reject the whole agreement, to rest with the Council of Ministers?

In some such way as this, broad direction of policy could come from an authoritative source to a responsible executive, avoiding the filter of anonymous experts and unidentified policymakers or policy frustrators. These trade negotiations are a crucial test for the European Community. Is it to be a major constructive and clarifying force in Europe, or one more piece of complicated machinery whose only role in this vital field of trade policy will be to enthrone the expert and bureaucrat? Is the Community to have leadership or only administration?

The decision is one which only Europeans can make. But it is one in which we Americans have quite as large a stake as you have. In this respect it is one of a long list of instances where all of us gain from the wisdom of each who sees the common good, and all of us suffer from the folly of each who believes that he has a separable interest.

RECESS

Mr. FULBRIGHT. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 26 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, October 30, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate October 29 (legislative day of October 22), 1963:

IN THE NAVY

Rear Adm. Leonidas D. Coates, Jr., U.S. Navy, for reappointment as Chief of Naval Research in the Department of the Navy for a term of 1 year.

IN THE ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

To be lieutenant colonel

Smith, Gordon L., O26029.

To be majors

Doiron, Henry D., O57850.

Reybold, Philip C., O62718.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

To be first lieutenants

Brown, Samuel L., O89768.

Gatlin, Jerry D., O97306.

McNeill, William D., O90473.

Phillips, Henry A., O91006.

To be first lieutenant, Women's Army Corps
Snell, Diane L., L604.

To be first lieutenants, Medical Service Corps

Heyen, George E., O97312.

Milne, Richard B., O96702.

The following-named persons for appointment in the Regular Army by transfer in

the grades specified, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, and 3290:

To be lieutenant colonel

Richards, Ralph J., Jr. (MSC), O37485.

To be first lieutenant

Thomas, Donald W. (MSC), O90054.

To be second lieutenant

Tang, Douglas B. (ARTY), O92130.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, and 3288:

To be majors

Higgins, Bernard, Jr., O2017852.

Kelleher, Edward D., Jr., O1338718.

Weaver, Frank E., O442109.

To be captains

Anderson, Ralph O., O4063709.

Averill, Jack E., O971954.

Barnhart, Richard J., O4018596.

Conley, Samuel G., Jr., O4041999.

Edmonson, James P., O4045258.

Erickson, Eric A., Jr., O4016148.

Farnes, William C., O1924970.

Franklin, Raymond D., O4009878.

Guffey, Connie S., O2271887.

Howard, Joseph D., O1877099.

Kirkpatrick, Andrew C., O4011046.

LaTour, Robert D., O4068215.

Levanger, John C., O4026677.

Lincoln, Richard L., O4064426.

Martin, Dale S., O4017851.

Meharg, Harold A., O4049497.

Moore, Peter W., O1885427.

Oelberg, Kermit N., O4076425.

Owens, Lawrence B., O1935670.

Patellos, Samuel W., O1935673.

Phillips, John H., O2265084.

Pitts, Russell N., O4005714.

Podural, Emanuel, O4006252.

Rehman, Donald I., O1932474.

Richards, Therman L., O2269360.

Robinson, Wayne, O968814.

Rosen, Donald E., O4031257.

Roshto, Lawrence E., O1924660.

Shortnacy, Harold L., O5304067.

Simpson, John H., Jr., O1873498.

Smith, Russell V., O1925763.

Stanley, Davey L., O4005269.

Tedlock, Billy L., O2265103.

Terry, Michael J., O4031185.

Trahan, Leon J., O4005977.

Ulmen, Patrick A., O1876379.

Ushijima, Ronald R., O4078102.

Whitley, George R., O4050452.

Whitmire, Roy A., O1891570.

Wright, Billy J., O4031530.

Zorn, Jack L., O2273353.

To be first lieutenants

Akers, Jimmy D., O5402074.

Akin, Jere H., O5307767.

Anglin, Richard C., O5302889.

Arndt, Gary L., O5510753.

Barrett, William L., Jr., O5201916.

Barry, Joseph A., III, O4084643.

Benson, L. J., O5307858.

Berdux, Sylvester C., Jr., O5301731.

Bialkowski, Alan J., O5001199.

Blume, Geoffrey E., O5503749.

Bock, John E., O5207998.

Boss, Jerry L., O5508042.

Butts, Orville N., O5702491.

Coates, Albert, O5207256.

Coleman, Charlie W., O5301480.

Creasy, Calvin H., O2297727.

Danley, James M., Jr., O5404994.

Detrich, Virgil D., O5405129.

Drake, Cleo C., O5303075.

Frey, Jesse J., Jr., O5700190.

Friant, Fritz, O5511674.

Goodell, Peter N., O5704586.

Greenberg, Paul L., O5401800.

Hattori, Masaki, O5702869.

Heins, Derek H., O4084663.
 Henderson, John S., O5509786.
 Henderson, Richard H., O5400527.
 Hughes, Jeremy H., O4085145.
 Jobe, Joe D., O5301763.
 Jones, James M., O5305185.
 Keefer, John J., O5304224.
 Kincheloe, Samuel E., O5308105.
 Kroeber, Donald W., O5405147.
 Leonard, William E., O5405440.
 Lewis, Billie G., O5404392.
 Marek, James A., O5403526.
 Marsh, Nelson L., O5404261.
 Merritt, William D., O5401192.
 Monroe, Mark A., O5208171.
 Moore, James L., III, O5309224.
 Neal, George W., O5505026.
 Paris, John M., III, O5007721.
 Park, Donald R., O4084834.
 Patton, Garry L., O5307124.
 Pilster, Cloyd H., O5304497.
 Pollard, Thomas L., O5508970.
 Reed, George B., O1937661.
 Rossi, Arnold T., O5704748.
 Rubio, Euripides, Jr., O5826130.
 Sanchez-Alicia, Esteban, O5826042.
 Sanders, Marvin L., O4072019.
 Sartori, Victor P., O4085538.
 Stahl, Roland W., O5705028.
 Strimbu, George, O4035802.
 Swygert, John F., Jr., O5307658.
 Tobin, Ernest H., O4086005.
 Traas, Adrian G., O5503170.
 Tudhope, Lawrence K., O5000207.
 Vela, Rene A., O5404365.
 Vercellone, Joseph E., O5005424.
 Wagner, Fred L., O5308345.
 Wesemann, Carl L., O5506837.
 Youngblood, David T., O5307950.
 Yurchak, Paul N., O5310841.

To be second lieutenants

Atkinson, John H., III, O5512132.
 Britton, Joseph D., O5313390.
 Calhoun, Richard W., O5409546.
 Carlock, William C., O5517930.
 Carrier, Gerald L., O5514036.

Cody, Michael A., O2306046.
 Couch, John L., O5514870.
 Crow, Stuart J., O5216504.
 Dauber, Peter F., O5008649.
 Davis, Norman J., O5310988.
 Ferris, Edward J., Jr., O5314200.
 Fleming, Roger S., O5215340.
 Greene, Robert F., O5216959.
 Griffith, Albert A., Jr., O5312281.
 Hooks, Harold V., O5410132.
 Hudson, Phillip F., O5008764.
 Hunt, Richard, O5405717.
 Kelly, Gerald L., O5707644.
 Kravitz, Lawrence R., O5007533.
 Kurtenbach, Frank J., O5514277.
 Laidlaw, Stephen R., O5311623.
 Langley, Dennis S., O5010084.
 Long, William H., O2296815.
 Lunsford, Mirt S., Jr., O5313282.
 Mannix, Joseph R., O5515130.
 Marks, James B., O5313845.
 Mellette, Julian R., Jr., O5311993.
 Moorhead, Michael M., O5405863.
 Naumann, Terrel K., O5312177.
 Neal, Clarke L., O5210198.
 Owens, John V., O5311712.
 Perry, Richard, O2309770.
 Prickett, Thomas R., O5215087.
 Ray, Luther B., III, O5311061.
 Schwend, William H., O5512248.
 Scott, Kenneth R., O5511489.
 Sexton, Donald E., O5210951.
 Shauf, Elton R., O5512108.
 Shaw, Edward W., O5007742.
 Slife, Richard D., O5214347.
 Tate, Dewey E., O5314941.
 Tellman, David W., O5511986.
 Thoms, Herbert G., O5008472.
 Vaughn, Bernard W., Jr., O5315296.
 Wise, Glenn L., O5410608.
 Wright, Allen W., O5215655.
 Yates, John R., O5210883.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States

Code, sections 3283, 3284, 3285, 3286, 3287, 3288, 3289, 3291, 3292, 3293, 3294 and 3311:

To be major, Medical Corps

Buswell, Arthur W., O1880053.

To be captains, Dental Corps

Caufield, John J., O5500520.
 Cohen, George R., O5202612.
 Hoffman, Jerry I., O5501052.

To be captains, Medical Corps

Cass, Kenneth A., O1932238.
 Fair, William R., O2300466.
 Forlidas, Nicholas G., Jr., O4023886.
 Miller, Lee H., O5012604.
 Welk, Richard W., O2313780.

To be first lieutenants, Army Nurse Corps

Duda, Helen, N2297624.
 Jacobson, Constance E., N2301482.

To be first lieutenant, Chaplain

Scott, John C., O2307790.

To be first lieutenant, Dental Corps

Granath, Bruce B.

To be first lieutenant, Judge Advocate General's Corps

Thayer, Ernest C., III, O5414955.

To be first lieutenants, Medical Corps

Chooltch, Melvin P., O2309201.
 England, Robert L., O2314260.

To be second lieutenant, Army Nurse Corps

Williams, Karyn S., N5411476.

To be second lieutenant, Women's Army Corps

Ralph, Rose A. C., L5302049.

The following-named distinguished military student for appointment in the Regular Army of the United States in the grade of first lieutenant, Judge Advocate General's Corps, under the provisions of title 10, United States Code, sections 3283, 3284, 3285, 3286, 3287, 3288, and 3292:

Foreman, LeRoy F., O5514599.

EXTENSIONS OF REMARKS

We Cannot Afford To Forget

EXTENSION OF REMARKS OF

HON. ANCHER NELSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1963

Mr. NELSEN. Mr. Speaker, recently I received in my office a proclamation from the Council of Free Czechoslovakia, calling attention to the 45th anniversary yesterday of the birth of the Czechoslovak Republic.

The proclamation outlines the sorry history of a brave, freedom-loving people who worked hard to gain a republican form of government, only to see it trampled first by the Nazis and since by the Communists. The proclamation points out that the take-over by the Communists was made possible through the exploitation of class hatred, by destroying everything "requiring love of people and love of nation."

The utter bankruptcy of such a system is totally apparent, for Czechoslovakia is today a country controlled by barbed wire and mine fields.

Mr. Speaker, in view of many disturbing recent events, I feel compelled to say

we must not forget the lesson of Czechoslovakia, nor the millions of peoples locked behind the Iron Curtain.

I want to join with freedom-loving Czechs in recognizing this day in their history, and in expressing my hope that freedom may one day come again to their great land.

Willis H. Warner

EXTENSION OF REMARKS

OF

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 29, 1963

Mr. HANNA. Mr. Speaker, word was received by my office here in Washington yesterday that Orange County has just lost its No. 1 citizen. Willis H. Warner, Sr., has long carried the sobriquet of Mr. Orange County. He served on the board of supervisors for over 25 years and was chairman of that body longer than any other man.

Willis was steeped in the history and early development of the county, leaving a hardware business in Huntington

Beach to dedicate himself to a life of public service. During the difficult years of transition spanning the 1950's Willis Warner more than any one man was a stabilizing, constructive influence in extending the vital services needed to bridge the gap between a rural agricultural community, of some 200,000-plus population, and the vigorous and varied complex of industry, commerce, agriculture in a mixed population of over 1 million which now exists.

There are those who felt at times that Supervisor Warner relied more heavily on anchor than he did on sail when the winds of change blew most strongly. The strong and stable growth, the balance of the economy and the continuing bright prospects for the future should sufficiently confound his detractors.

I feel a sense of deep personal loss with the passing of Willis Warner. From the time I first served as president of the chamber of commerce for Westminster, Calif., I have had the wisdom of his counsel. As a practicing lawyer involved in matters of dispute brought before the board of supervisors, I have had his sympathetic and judicial consideration. As a State representative, I enjoyed his ready cooperation and a share of the wealth of knowledge on county affairs which was so uniquely his.